FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,075 — Wednesday May 18 1983 — D 8523 B

Japan: Nakasone's new-look leadership, Page 13

NEWS SUMMARY

GENERAL

Beirut links cut by Syria

Syria stepped up its attack on the Government in Beirut yesterday as President Amin Gemayel signed a pact with Israel on troop withdrawals from Lebanon.

Vital trade routes from Beirut were blocked when Syria cut road, telephone and telex communications with the capital.

But Israeli officials said after signing yesterday's agreement that they were confident Syria would eventually leave Lebanon. Pages 7, 18.

Moi plans polls

Kenyan President Daniel arap Moi said he would bring forward a general election to September to "clean the system" of corruption. Page 7

Ex-Nazi stands down

Former Nazi officer Friedrich Peter has abandoned his bid to become deputy Speaker of the Austrian Parliament. Page 2

Arms talks resume

The U.S. and Soviet Union resumed their Geneva talks on medium-range nuclear missiles in Europe after a seven-week break.

Conscripts reform

Critics attacked French President François Mitterrand over "weak" reforms of military service for young people, which were adopted yesterday after a marathon debate.

'Aids' virus clue

French researchers at the Pasteur Institute claim to have isolated a virus that may be linked with "acquired immunity deficiency syndrome," the so-called homosexual disease.

'Terrorist' in siege

Rome police were trying last night to persuade a gunman to surrender after a post office robbery was foiled. The man, a suspected Red Brigades terrorist, was holding two clerks hostage.

Security check

Australia's security services are to be investigated by a Royal Commission after a Soviet spy was exposed.

Soviet 'build-up'

Up to 6,000 extra Soviet troops may have been sent to Afghanistan, Western diplomats said in Islamabad.

Pope's welcome

Polish President Henryk Jablonski will greet Pope John Paul when he arrives in Warsaw next month on an eight-day tour. Page 3

Chile retaliates

Copper mineworkers' leaders in Chile are being prosecuted for their part in last week's national protest. They could face deportation.

Plane victims found

The bodies of three Britons whose private aircraft crashed on a flight from Nice, have been found near the summit of Mount Ventoux.

Briefly . . .

Warsaw: Authorities approved a new actors' union, replacing one abolished last year.

Athens: Two bombs exploded outside Arab buildings. No one was hurt.

Bonn: Right-wing magazine Quick accused four Soviet diplomats of spying.

Maine: "Bambi" cartoonist Maurice E. Day died, aged 90.

Peking: Electrified traps are killing people as well as rats, officials said.

BUSINESS

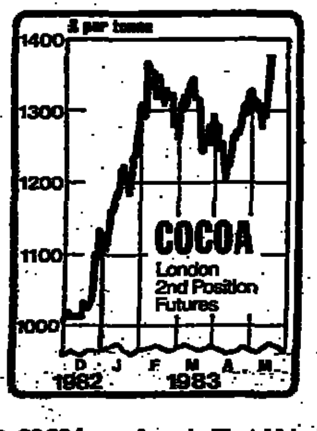
Industrial output slips in UK

● UK INDUSTRIAL output fell by 0.9 per cent in March, dampening hopes that the industrial recovery in Britain may be quickening. The trend for the first three months appears to be upwards. Page 18

● DOLLAR continued firm but closed below its best levels on central bank intervention and softer U.S. rates. It slipped to DM 2.4595 (DM 2.4615), FFr 7.395 (FFr 7.4125), Y233.05 (Y233.2) but edged ahead to SwFr 2.045 (SwFr 2.043). Its trade-weighted index was 122.4 (122.3). In New York, it closed at DM 2.4575; SwFr 2.0430; Y232.75; and FFr 7.3875. Page 40

● STERLING lost 15 points to $1.557. It fell to DM 3.8325 (DM 3.84), FFr 11.51 (FFr 11.55) and Y363 (Y363.75). It was unchanged at SwFr 3.1875. Its trade-weighted index was 83.7 (83.8). In New York, it closed at $1.56. Page 40

● GOLD rose $5¼ to $443 in London. In Frankfurt it was $440.75 ($436.5) and in Zurich $440 ($436.5). In New York the Comex May settlement was $443.1 ($438.6). Page 37



● COCOA crop fears in West Africa and Brazil pushed prices to a three-year high on the London futures market. The July position was up £36 to £1,374.50. Page 37

● WALL STREET: Dow Jones index closed up 2.81 at 1,205.79. Report, Page 33; full share listings, Pages 34-36

● LONDON: FT Industrial Ordinary Index added 4.5 in dull trading to close at 675.6. Government securities were steady. Page 33. FT Share Information Service, Pages 38-39

● TOKYO: Nikkei Dow index shed 19.56 to 8,572.23. Stock Exchange index lost 0.91 to 628.21. Page 33. Leading prices, other exchanges, Page 36

● BRITISH Labour Party leaders denied that their general election promise of a £6bn ($9.3bn) increase in public-sector borrowing would drive up UK interest rates to "unacceptable" levels. Page 10

● U.S. housing starts declined for the second consecutive month in April, falling 8.4 per cent from March to a seasonally adjusted rate of 1,490,000 units, the Commerce Department said.

● BRAZILIAN interest payments on foreign debt tripled from 1979 to reach $12.6bn last year, the Brazilian Central Bank said. Page 4

● ALUMAX, the U.S.-integrated aluminium producer, is buying Howmet Aluminum from its French parent, Pechiney Ugine Kuhlmann. Page 3

● PACIFIC Power and Light is making a $81m write-off against its second-quarter earnings. The Oregon-based diversified electricity utility said major investment in three troubled nuclear power projects could not be recovered. Page 19

● WATNEY MANN & Truman, the UK brewing group, is raising £50m ($77.5m) by placing a secured redeemable debenture stock dated 2008. Page 18

Bonn delays EEC summit until after election in Britain

BY JOHN WYLES IN STRASBOURG

West Germany yesterday postponed next month's EEC summit until after the British general election on June 9. The Stuttgart meeting will now be held on June 17–19, nearly a two-week delay from the scheduled June 6–7 dates.

Chancellor Helmut Kohl, the summit's host, concluded that because Mrs Margaret Thatcher, the British Prime Minister, could not promise to attend even for a short time, it would be better to wait until a British leader could definitely take part in the summer summit.

"You cannot have a summit without the British Prime Minister," a German spokesman said yesterday, "particularly when major decisions on Community financing have to be taken."

Herr Kohl's decision was taken after discussions with President François Mitterrand in Paris yesterday and after consulting other EEC heads of government. He had a 25-minute telephone conversation with Mrs Thatcher on Monday, which failed to yield the assurances he wanted about her presence at the summit.

A British Government spokesman emphasised that London had not sought the postponement. Nevertheless, the Chancellor's decision removes any possibility of a damaging eve-of-poll clash with Britain's partners over the rebate on its 1983 payments to the EEC.

British officials say that Mrs Thatcher is confident of securing a rebate whenever the summit is held. The Government, said a spokesman, "would be looking for a settlement" of the rebate issue at the postponed meeting.

An EEC summit has never before been put off for reasons of domestic politics in a member-state. Herr Kohl's decision appears to give Mrs Thatcher a pivotal status in EEC politics which she may well exploit in her campaign for re-election.

The later summit date will take some of the pressure off next week's negotiations by foreign ministers on the size of the 1983 rebate to be paid to Britain. As a precaution, West Germany has scheduled an extra meeting of foreign ministers for June 13.

Mr Francis Pym, Britain's Foreign Secretary, presented a demand at an informal meeting in West Germany last weekend for an £800m ($1.24bn) rebate on the UK's estimated payment this year of £1.2bn. But he conceded that the rebate could be lowered to take into account the fact that Britain had paid about £600m less into Brussels in 1980–81 than was expected.

Herr Kohl's public comments yesterday pointed to the importance he attached to the June summit as an opportunity to set a course on the key issues of future financing of the Community and its enlargement to include Spain and Portugal. He said in Paris yesterday that the EEC was in "a crucial phase."

President Mitterrand meanwhile argued that it was time to revive the Community and to restore a coherence the absence of which had been damaging the common interests of member-states.

Mrs Thatcher was also a key factor in the only previous postponement of a summit in 1980 when Sig

Continued on Page 18

Thatcher decides to attend Williamsburg

BY DAVID HOUSEGO IN PARIS AND PETER RIDDELL IN LONDON

MRS MARGARET THATCHER, Britain's Prime Minister, announced yesterday that she would attend the world economic summit in Williamsburg at the end of this month in spite of the UK general election on June 9.

Her visit, however, will be for only two of the three days.

Her decision came as President François Mitterrand raised afresh the prospect of a sharp Franco-U.S. confrontation at Williamsburg with a blunt warning of the damaging effects on the rest of the world of high U.S. interest rates and a continuing strong dollar.

With Chancellor Helmut Kohl beside him at the conclusion of the two-day France-West Germany summit, the French President said it was not normal that the large U.S. budget deficit should be paid for by other countries.

He said the resulting high interest rates and the dollar's current peak levels were "one of the causes of imbalance in the world."

President Mitterrand said it was time to build the basis of a Franco-German understanding to "put clearly the problems which must be put" and raise them at Williamsburg.

Chancellor Kohl, however, noticeably declined to support President Mitterrand's view.

Answering a question on U.S. interest rates he said this was not the place to criticise a friend and that he "preferred to talk with friends rather than about them." But he did say the outlook for Europe was influenced by the U.S. deficit and high rates of interest.

President Mitterrand made his attack as the dollar reached a record level against the French franc in Paris – FFr 7.427 to the dollar.

The appreciation of more than 8 per cent in the dollar since the March devaluation has eroded much of the FFr 20bn import savings the Government hoped to gain through its stabilisation package.

President Mitterrand's remarks are seen by many observers as preparing the ground for unilateral action by France after the summit. Moves still thought possible include pulling out of future summit conferences, fresh import restrictions or withdrawal from the European Monetary System.

The French side put a rosier view on the outcome of the bilateral talks than the West Germans. Chancellor Kohl gave little encouragement to French hopes that West Germany would pursue a more expansionary economic policy.

M Jacques Delors, the French Finance Minister, said Germany still had "room for manoeuvre" to pursue higher economic growth, but Chancellor Kohl effectively ruled out fresh action in saying the "psychological conditions" for a recovery had arrived and he was reasonably optimistic about the West German economy in spite of difficult months ahead.

In answer to French complaints that France's FFr 38bn trade deficit with West Germany last year was in part due to health norms on products and standardisation procedures imposed by West Germany, the Chancellor said these would be studied immediately.

Shultz report calls for fixed exchange rates, Page 4; Bank of France governor criticises economic policy, Page 18

Thomas Tilling rejects BTR's new $1bn-plus takeover bid

BY RAY MAUGHAN IN LONDON

THOMAS TILLING, the UK construction materials, health care, engineering and publishing group, firmly rejected BTR's revised £665m ($1.03bn) bid yesterday. BTR, the industrial holding company, added more than £116m to the cash terms of what was already Britain's biggest bid.

Sir Patrick Meaney, chief executive of Tilling said: "There is a feeling of relief that the new offer is in the open." The terms are still "derisory," he added, "and are rather lower than we had expected."

The takeover battle between the two UK corporations began shortly after Easter when BTR launched a surprise bid in the London stock market.

The bid, which BTR estimates will cost £20m in underwriting, advertising, stamp duty and other fees, has been backed up by aggressive market buying in London yesterday and an indication that profits in the first four months of this year are a fifth higher than the corresponding period of 1982.

The group has also confirmed that the total dividend will be raised by the same proportion to 12p per share.

BTR said that it had made its final offer and the bid would close on June 8, the day before the UK general election.

The offer is again in two forms. The cash bid has been raised by 40p per share to 225p. Morgan Grenfell, the merchant bank advising BTR, has underwritten £376.8m of the cash consideration, and BTR will fund the balance from its own resources.

Mr Owen Green, BTR's chief executive, said after yesterday's annual meeting that full acceptance of the cash terms will not raise total borrowings above the value of shareholders' funds.

He also made clear that the bidder has no intention at present of selling any of Tilling's principal assets, although offers have been made for non-industrial subsidiaries, notably Cornhill Assurance.

The equity element of the offer has been rejigged so that BTR is now offering 11 of its own shares for every 20 Tilling shares. This is worth £659.4m.

Lex, Page 18; Markets report, Page 33

Ministers approve 4.2% rise in farm prices

By Larry Klinger in Brussels

THE EUROPEAN COMMUNITY yesterday agreed on the lowest average rise in guaranteed EEC farm prices for the past 10 years. It also approved measures to curb surplus production.

After a marathon negotiating session, lasting for 14 hours, the EEC Council of Agricultural Ministers accepted the European Commission's $1.09bn package providing for an average 4.2 per cent increase in 1983-84 common farm prices.

As a result of the price award food prices could be expected to rise on average by a maximum of 2.8 per cent on a Community-wide basis, the European Commission said.

The EEC's cost-of-living index would rise by an estimated half of one point. The net budgetary cost to EEC finances was calculated at about $404m this year and a further $692m in 1984.

In national currencies, when recent EEC monetary adjustments are taken into account, the increases range from nearly 26 per cent in Greece to a low of 2 per cent in West Germany. The figure for Britain is just over 4 per cent.

The agreement was hailed as a significant victory by both the European Commission, whose original proposals tabled in December emerged virtually unscathed from the Farm Ministers, and by Britain, which led the campaign among member states not to breach significantly the Commission's recommendations.

Mr Poul Dalsager, the EEC Farm Commissioner, said the agreement was a fair and reasonable compromise for both farmer and consumer. The farmers' organisations had been seeking a 7 per cent rise in common price levels.

Commission officials said privately they were particularly pleased, if a little surprised, that the ministers had left intact their penalties for recent over-production by agreeing to lower-than-average increases of 2.3 per cent for milk and 3 per cent for cereals.

The council also left open the possibility of even greater penalties being applied in the future.

Continued on Page 18

UK consumer reaction, Page 37; Feature, Editorial comment, Page 12

Call to relax import curb on VCR kits

BY PAUL CHEESERIGHT IN BRUSSELS AND JASON CRISP IN LONDON

THE three-month-old agreement between Japan and the EEC to limit the number of Japanese video recorders (VCRs) exported to the community is meeting increasingly strong criticism within Europe.

The main problem is the tight controls on the number of VCR kits which can be imported into Europe for final assembly. Earlier this month the West German Government asked the Japanese to adopt a more flexible approach to the number of kits which may be sent to Europe.

A number of companies from West Germany, Britain and France have also been putting pressure on the Commission to allow more kits to be imported. The agreement between Japan and the EEC was reached in February and limited VCR imports to 4.55m, including about 600,000 kits.

The major fear is that the limitation will hinder the European manufacture of the most widely-bought VCRs which are based on Japanese technology using the VHS and Beta formats. Philips and Grundig make VCRs in Europe using the Philips-developed V 2000 format, which has the smallest share of the market.

European production of Japanese VCRs has been growing steadily, although it is still limited to final assembly operations. The largest producer is J2T, a joint venture between JVC, Thorn-EMI and Telefunken which assembles in Berlin and Newhaven, Sussex. Sony and Matsushita (with Bosch) both make VCRs in small quantities in West Germany. Sanyo and Mitsubishi plan to make VCRs in the UK later this year.

There have been informal talks between the European Commission and the Japanese about the working arrangements of the agreement since Japan aligned its prices with those of European manufacturers in March. The two sides will hold formal meetings in June and July to consider adjusting the agreement.

The Commission itself is not seeking either a bigger quota for the total number of VCRs or a larger number of kits, at present. It will face growing pressure from European companies with Japanese alliances to remove the quota on kits. The British Government, which has always been keen to encourage inward investment and local manufacture, is also likely to want to avoid restrictions on kits.

Japan-EEC deal under fire, Page 8

Nigerian payments arrears may worsen

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

ARREARS on trade payments from Nigeria are likely to get worse before they get better, despite efforts by international banks to refinance part of the backlog, British exporters were warned yesterday.

However, Nigerian oil production increased to more than 1m barrels a day (b/d) in April, and is forecast at up to 1.6m b/d in May, compared with an average of only 800,000 b/d in the first quarter. If the increased production is sustained, the country's foreign-exchange drain should stabilise towards the end of the year.

The forecasts were given yesterday at a conference on the present economic situation in Nigeria, organised by the Nigerian-British Chamber of Commerce in London.

The problem of delayed payment is still the greatest headache for exporters, followed by the difficulties for importers in getting licences, even for essential spares and raw materials, under the sweeping import licensing system introduced by the Nigerian government in January.

Mr John Rivett, marketing manager for First Bank of Nigeria, estimated that delays on top-priority payments from Nigeria – including personal remittances and debt servicing – were not less than 10 weeks.

Payments on letters of credit were delayed by anything from 120 to 210 days, he said, while bills and open-account trade were being settled eight months or more in arrears.

There had also been a marked increase in the number of applications rejected because of mistakes.

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Trade debt talks, Page 8; Moi calls Kenyan election, Page 7

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EUROPEAN NEWS

David Buchan looks at Comecon foreign investment, thought by some to have sinister overtones

Eastern capitalists strengthen foothold in the West

THE BID by the Bulgarian company, Balkancar, the world's largest fork-lift truck maker, for the controlling share in Fenwick Manutension, the French market leader in fork lift trucks, has highlighted the issue of direct Comecon investment in the West.

This takeover bid against U.S. and West German rivals, will probably be decided on the issue of jobs, whether Balkancar will add or subtract employment at Fenwick. But other recent investments in the West by Bulgaria and fellow Comecon countries have raised queries about possible unfair state-trading practices, industrial espionage and transfer of sensitive technology to the East.

Such suspicions are, at present, almost completely without foundation, according to Professor Carl McMillan of Carleton University in Ottawa who presented a ground-breaking study to a Nato economic seminar last month. He concludes that Comecon investment activity is still in "relative infancy" and only reflects the East bloc's desire to get more deeply involved "in the international—not merely socialist—division of labour."

Far from representing a significant threat to the economic or security interests of host countries, Mr McMillan believes Comecon investment in the West is the best current hope for improving the structure and stability of East-West trade.

A compilation done by Carleton University identified more than 400 companies in some 23 OECD countries with Soviet and East European equity participation by the end of 1981. Their activities range from commerce, transport, manufacturing, to banking, insurance and engineering design and consultancy.

Of these 400 companies, the Soviet Union has the most widespread stake (in 111 companies), followed by Poland (96), Hungary (68), and Bulgaria (44)—the largest or most, with 63 Comecon investcountries setting the pace. The destination of the investment is slightly less predictable. West Germany, as the biggest Western economy nearest to Comecon, is naturally host to mos, with 63 Comecon investments on its soil, but, curiously, is followed by the UK which had 59 such investments by the end of 1981.

The total value of Comecon capital invested in these Western-based firms was $550m, the Carleton study estimates, though it is very hard to track financial changes after the initial investments were made. This works out at a low average of $1.4m per company, explained by the fact that most of the companies are in services, marketing or importing, requiring little capitalisation. Some of the biggest Comecon banks and businesses in the West, usually Soviet-owned, have sizeable capital or fixed assets.

OWNERSHIP STRUCTURE OF COMECON INVESTMENT ABROAD IN 1981
(All figures %)

	Minority Eastern ownership	50/50 split ownership	Majority Eastern ownership	100% Eastern ownership
Bulgaria	26.3	10.5	26.3	36.8
Czechoslovakia	8.7	13.0	13.0	65.2
East Germany	7.1	0	21.4	71.4
Hungary	10.3	48.3	17.2	24.1
Poland	19.2	13.5	38.5	28.8
Romania	3.6	85.7	3.6	7.1
Soviet Union	8.9	6.6	55.6	28.9
Total	11.6	24.6	32.4	31.4

Source: Carleton University, Ottawa

Mr McMillan sees Comecon companies following the same evolutionary path as their Western multinational counterparts, "from export-centred investments abroad to foreign production operations." But only a few have reached this point: Tungsram, the Hungarian light bulbmaker with plants in the U.S., Ireland and Austria is a striking example. Most are in the earlier stage of simply remedying their lack of marketing expertise by setting up sales offices abroad, aware that selling by barter, or countertrade, has many pitfalls.

When the issue is raised in the West of controlling the behaviour of multinational companies in general, the new Comecon multinationals are at pains to point out that they are different from their capitalist brethren. They claim they are guided by state goals, rather than private profit. They thus seek to disassociate themselves from the opprobium which sometimes surrounds Western multinationals, and to justify the curbs they put on Western investment on their own soil.

But in fact the Comecon companies seem to be driven by the same motives—profit, revenue, market penetration—as their capitalist competitors. There is potential for abuse, in that a Comecon country's Western investments are in theory controllable at a single source.

But in practice Comecon investments are too small and diverse to be co-ordinated in any sinister economic strategy. It is true that Soviet companies abroad do push business in each other's direction, but that happens elsewhere. There is no evidence, Mr McMillan says, that Comecon countries have used the "extra-territorial" reach of their investments in the West for political ends (as the Reagan Administration did last year on the Siberian gas pipeline issue).

For them to try to do so would be risky, since the value of their assets in the West far outweighs what the West has in the East.

Do Comecon subsidiaries in the West undermine Western security or act as cover for industrial espionage? Possibly, but Mr McMillan believes the evidence is very weak. He surveyed 76 instances of Soviet bloc intelligence gathering reported in the Press between 1970 and 1981, and found only eight cases involved people attached to Comecon subsidiaries in the West.

Few Comecon businessmen in the West are in the right sectors easily to acquire sensitive high technology, and most are involved in primary agricultural and industrial products or basic manufactures. Silicon Valley, in California, for instance, has been plagued most by the unwelcome attention of the Japanese.

"The relatively clean record of subsidiary companies in the West suggests that these foreign investments are of too great economic importance to the Comecon countries to be placed at risk so long as alternative intelligence channels exist," Mr McMillan concludes. The current expulsion of alleged Soviet diplomatic spies by many Western governments could, of course, change such as assumption.

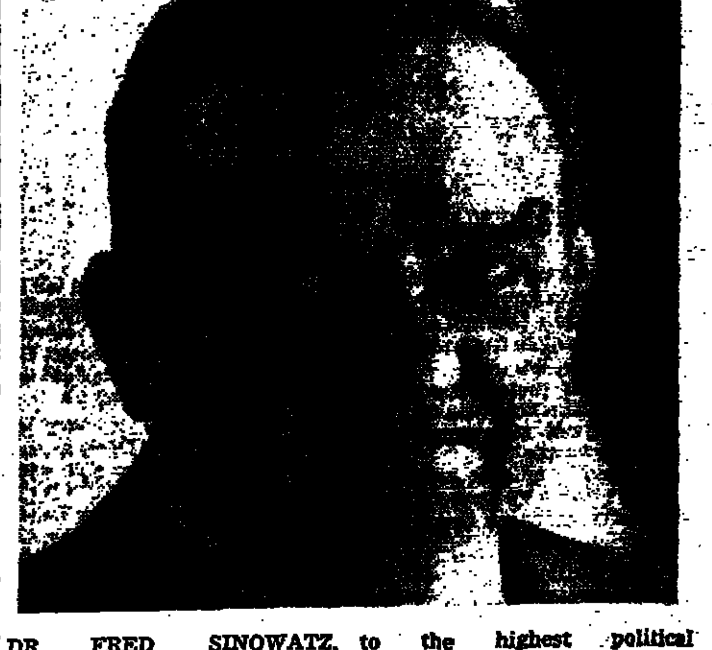
The West does have a legitimate complaint about the lack of reciprocal treatment for its investment in Comecon. Hardly any Western country (Canada is one exception) has a formal procedure for vetting inward investment. There is no record of a Western government blocking a Comecon investment on national security grounds. Virtually all Western countries allow 100 per cent foreign ownership and control, which no Comecon country permits.

The imbalance is increased by the fact that those Comecon countries most restrictive towards Western capital inflows—the Soviet Union, Czechoslovakia and East Germany—are those which insist most on majority or total ownership in their Western investments. The other four Comecon countries which allow joint ventures on their soil are happier to settle for minority or half stakes in their Western investments.

The Helsinki agreement commits East and West mutually to facilitate business activities by each other's companies. If and when the economic prospects for Western investment in Comecon improve, Western governments might care to press the East for better reciprocal treatment. Comecon, for its part, might consider the paradox that at present there is a net out-flow of capital from a poorer region (the East) to a richer one (the West).

Sinowatz to lead Austria coalition

PRESIDENT RUDOLF KIRCHSCHLAGER of Austria yesterday asked Dr Fred Sinowatz (below), a Socialist and hitherto Vice-Chancellor, to form a coalition government with the small liberal Freedom Party, writes our Vienna correspondent. Dr Sinowatz succeeds Dr Bruno Kreisky who decided to stand down when the Socialists lost their absolute majority in the election of April 24. One possible remaining difficulty in the coalition talks was removed when Herr Friedrich Peter, a potential Freedom Party nominee for deputy Speaker of the National Assembly, announced that he would stand down because he had been attacked as a past member of the Waffen SS.



DR FRED SINOWATZ, Austrian Chancellor to be, is playing his cards very close to his chest just now, putting forward a bland, conciliatory image to all and sundry. But it is as well to know that he has a favourite saying about himself: "Just because I'm corpulent don't think that I'm going to be amiable at all times."

For the moment, he is leaving the limelight to the outgoing Chancellor, Dr Bruno Kreisky, who despite his intention to quit politics, is still very much there, negotiating every detail of the new coalition.

Dr Sinowatz's friends say that the new man is proving his political shrewdness by not risking any differences with Dr Kreisky so close to the transfer of power expected next Tuesday. The outgoing Chancellor has a firm grip on the Socialist Party of which he is chairman. He will remain in office until the autumn at least, and many political wiseacres in Vienna wonder whether he will not stay on longer.

Party chairman

In principle, it is agreed that the offices of Chancellor and of party chairman shall be held by one and the same person. But, in public at least, Dr Sinowatz amiably says that Dr Kreisky may decide himself whether and when to go. To his friends, Dr Sinowatz is allowing the grand old man of Austrian politics to pull the strings a last time.

Another, unkind school of thought sardonically asks: "A last time?" Time alone will show who is right. In the meantime, there is not only Dr Sinowatz's remark about an end to amiability: there also is the evidence of a career which has taken him from his origins in a working class family, through politics from the grass roots up, to the highest political honours.

Dr Sinowatz was born in 1929 in the Burgenland, Austria's easternmost province with its plentiful vineyards. He likes it white and "splashed," as Austrians say, meaning half wine, half sparkling water. He worked his way to a doctorate at university, joined the local public service as a librarian, married and had a son and a daughter both of whom are now grown up.

Move to Vienna

From 1966 he served in the Burgenland government until, in 1971, Dr Kreisky made him federal Minister of Education. Even then Dr Sinowatz preferred to live in his native village, Neufeld on Leitha. Only now that he is to become Chancellor does he intend to move to Vienna.

Since the election, his public statements have been anodyne, but he has harped on the theme of co-operation, a subject dear to the hearts of Austrians who like their politics to be conciliatory.

He has always nursed good relations with the People's Party, the big opposition group in the new Parliament, and so is ready to maintain the tradition of social partnership or consensus which has spared Austria the rigours of labour conflict.

So much is known. But nobody in Vienna really has a firm idea of what sort of a Chancellor Dr Sinowatz will prove. One thing is probable: he is unlikely to match the role that Dr Kreisky played in world affairs, with his pronouncements on the Middle East and East-West relations.

"I am not another Kreisky," Dr Sinowatz says—firmly or modestly, depending upon your estimate of the man.

Belgrade seeks structural aid from Community

BY ALEKSANDAR LEBL IN BELGRADE AND DAVID BUCHAN IN LONDON

YUGOSLAVIA HAS sounded out the European Commission about the possibility of obtaining structural adjustment aid of the kind it is already receiving from the World Bank, according to Belgrade officials.

The suggestion, made during a recent visit to Brussels by Mrs Milka Planinc, the Yugoslav Prime Minister, is apparently that Yugoslavia would borrow short-term funds on a revolving basis and at a favourable rate, possibly from the European Investment Bank (EIB), to finance purchases of production materials and equipment from the European Community, as aid for restructuring Yugoslav industry.

Yugoslav officials say the Commission promised to study the idea, but a Commission spokesman in Brussels said yesterday that no formal request had been received. He pointed out that the EEC does not make structural adjustment loans outside the Community, that any change would be for the EEC national governments to decide, and that the EIB financed projects, not trade.

Belgrade has been allowed to draw up to $200m from the EIB—to improve roads linking Greece with the rest of the EEC—but has only used one third of this because of the difficulty of finding local matching funds.

If the Yugoslav suggestion is unrealistic, it does at least show that the Belgrade Government's desire for outside finance has not been totally assuaged by the big international rescue package put together this spring by Western banks, governments and international institutions.

Meanwhile, Sig Lorenzo Natali, vice-president of the commission, has arrived in Yugoslavia to open an EEC exhibit at the Novi Sad agricultural fair.

Critical editors lose jobs

BY OUR EAST EUROPE CORRESPONDENT

A MOUNTING campaign by the Yugoslav Communist Party to curb "liberal" Press criticism of government economic policies has cost the jobs of the editors of two of the country's leading publications.

Mr Joza Vlahovic, chief editor of the Zagreb-based Danas weekly, which has won a reputation for being the country's liveliest, resigned this week. Mr Dragoljub Trailovic, editor of the Belgrade-based Politika, Yugoslavia's most influential daily, was dismissed last week so that the paper could be brought "more resolutely and consistently" in line with party policy, Tunjug, the official news agency, said. Two Politika staff resigned in protest.

The party and government have been stung in recent months by growing criticism of the authorities' apparent inability to handle the country's economic problems without a massive infusion of international refinancing and a severe dose of deflation.

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Bonn refuses to despair on E. German relations

BY JAMES BUCHAN IN BONN

THE BONN Government is refusing to despair about relations with East Germany despite the collapse of a proposed summit meeting and the prospect of increased East-West tension over Nato missile deployment.

West German officials have been told by sources in East Berlin that Herr Erich Honecker, the East German leader, called off a visit planned for the late summer for practical reasons and not at the instigation of Moscow as a warning of the tension that could follow the stationing of U.S. nuclear missiles on West German soil at the end of the year.

Bonn believes that the visit was called off last month because of unfulfillable expectations on both sides and an outbreak of angry exchanges over the death in April of two West Germans, apparently of heart attacks, while under questioning by East German officials.

Officials insist that co-operation at a technical level is proceeding well and will survive an autumn of recrimination over Nato deployment. "Beneath the larger East-West questions, Herr Honecker has considerable sovereignty," a senior official said. He pointed out that East Berlin was once again using to the full Bonn's "swing" trade credit as an indication of its economic needs.

Herr Heinrich Windelen, 61, the new Christian Democrat Minister for inter-German relations in Bonn, has tried to confound the expectations of revanchism that his background as a Roman Catholic refugee from Silesia (now in East Germany) unleashed.

He is understood to be willing to consider "pragmatic solutions" to Herr Honecker's demands, outlined in a 1980 speech, that the Elbe border be revised and a documentation centre on alleged acts of East German brutality be closed.

At the same time, Bonn has received the impression that Herr Honecker is ready to tone down his two other demands in the speech – separate East German citizenship and upgrading of the present missions to embassies – which Bonn still finds unacceptable.

However, behind the confident signals from Bonn is a great deal of noise, pre-eminently from Munich, where Herr Franz-Josef Strauss, the Bavarian Prime Minister, is being openly described as "internal opposition" in foreign and German policy. Herr Strauss insisted on making an issue of the two deaths in April, raising the possibility of murder.

While Herr Windelen's officials say they want continuity with the policies of the Social Democrat-liberal governments that signed treaties with Eastern Europe, and talk only of insisting more on "quality" and "value" in the nuts-and-bolts of German relations, Herr Strauss called on Monday for a complete break with the "life of lies" of Herr Helmut Schmidt, the former Chancellor.

Collectives will be paid more to boost lagging farm output

BY LESLIE COLITT IN EAST BERLIN

EAST GERMANY has introduced higher government purchase prices for agricultural products from collective farms and private plots to stimulate lagging farm output.

Outlining the new price reform, the East German Deputy Agriculture Minister, Dr Wilhelm Cesarz, stressed that the higher prices will not be passed on to consumers.

Bread in East Germany will continue to sell for 62 pfennigs (25 cents) a metric pound while a pound of pork will sell for 10.60 East German Marks (EM), the same prices as two decades ago.

The decision to maintain highly-subsidised food prices distinguishes the East German agricultural move from reforms in Hungary, which have thrown much of the burden of higher purchase prices directly on the consumer.

East Germany this year will pay EM 21.8bn out of a total budget of EM 152bn to subsidise prices for necessities, of which basic foods are the largest item.

East Germany also is not attempting to decentralise decision-making in agriculture, although it is to be shifted somewhat on to the district level.

In a move similar to those made in Hungary in the early 1970s, the East German Government is to support collective farmers and hobby gardeners by paying them much higher prices for their output.

Fourteen per cent of the pork and 10.5 per cent of the beef produced in East Germany comes from the up to half-hectare private plots tilled by collective farmers and by city dwellers with allotment gardens. They also produce 40 per cent of the eggs and 30 per cent of the fruit.

The part-time farmers are being enticed to produce ever more by being offered a 10 per cent bonus if they conclude contracts with the state to deliver meat and other products.

Apart from stimulating private farm production, the main thrust of the price reform is to ensure that East German collective farms, which work 95 per cent of farmland, will be forced to be less wasteful and more productive.

East Germany has imported 2m tonnes of fodder from the West annually, to be halted by 1985. The main criticism of East German agriculture is that individual collective farms are too large and are wholly separated into crop and meat production.

Pope's Polish itinerary announced

By Rupert Cornwell in Rome

THE KEENLY anticipated and highly delicate visit of Pope John Paul II to his native Poland next month seems certain to take place. That much became clear yesterday with announcement by the Vatican of the detailed programme for the trip, between June 16 and June 23.

As expected, the Pope's schedule does not include a visit to Danzig, the birthplace of the now outlawed Solidarity independent trade union movement, nor is there mention of any planned meeting with Mr Lech Walesa, the leader of Solidarity.

Instead, the programme emphasises the intended pastoral nature of the visit, which will mark the 600th anniversary of the arrival of the Sacred Madonna of Czestochowa at Jasna Gora. John Paul II, who last visited Poland four years ago, will arrive in Warsaw before travelling to Czestochowa, Pozman, Katowice, Wroclaw, as well as Cracow, where he was Archbishop before being elected Pope in 1978, and the steel town of Nova Huta. He will return to Rome from Cracow in the late afternoon of June 23.

The announcement yesterday leaves no doubt that at this stage a decision to call off the visit will be the responsibility only of the Polish regime. Assuming the visit does go ahead, its political significance is very considerable.

Cardinal Josef Glemp, the Polish Primate who is in Rome for discussions with the Pope about his visit, this week repeated his church's demand for an end to martial law in Poland

PUK to sell U.S. aluminium subsidiary

By Paul Betts in Paris

PECHINEY Ugine Kuhlman, the French nationalised aluminium producer, is selling its U.S. aluminium manufacturing interests as part of a major redeployment of assets in the North American market.

PUK declined to disclose yesterday the value of the deal in which its subsidiary Howmet Aluminum Corporation is being sold to Alumax, a company jointly owned by Amax of the U.S. and Mitsui and Nippon Steel of Japan. Industry sources suggested the transaction could involve a sum of more than $100m.

The decision by the French company, Europe's leading aluminium producer, to sell the U.S. subsidiary does not however, reflect the start of a strategic withdrawal from the U.S. market by PUK.

The French company is in fact contemplating switching its aluminium operations from the U.S. to Quebec in Canada. PUK is also understood to be considering new U.S. investments in high technology

PUK is at an advanced stage of negotiations with the Canadian authorities on the proposed construction of an aluminium plant at Betancour on the St Lawrence River. The plant would have an initial annual capacity of more than 200,000 tonnes.

The initial investment would involve about C$1bn and an agreement to go ahead with the project is likely to be announced next month in Paris during the visit of M René Levesque, the Quebec Premier.

The 200,000 tonnes capacity of the Canadian plant would replace the 200,000 tonnes of capacity PUK is selling in the U.S. to Alumax.

AMERICAN NEWS

Canute James in Kingston explains why a loan payment delay could cause problems

Optimism in Jamaica that IMF will provide

DURING the next few weeks the attention of Mr Edward Seaga, the Prime Minister of Jamaica, will be turned expectantly to Washington. Mr Seaga is hoping that the board of directors of the International Monetary Fund (IMF) in its meeting next month will entertain his request for a waiver of performance criteria which the economy failed to meet at the end of March.

Such a waiver could release to the hungry Jamaican economy about $180m this year from a credit facility extended by the IMF in 1981. If the IMF board rejects the request for a waiver, however, a new pact, with what the Prime Minister admits could be harsh conditions will have to be negotiated.

The way in which Jamaica failed to meet the IMF conditions indicates the delicacy of the balancing act which Mr Seaga's Administration has had to perform to keep the island's frail economy on an even keel.

When the IMF checked the books in the central bank at the end of March, it found an unexpected deficit in the balance of payments. A surplus of $82m at the end of December had been converted to a deficit of $151m three months later.

The main reason for the shortfall, according to Mr Seaga, was that loans totalling $110m expected between January and March were not paid in time. He told Parliament last week when he opened debate on this year's record J$3.2bn (£1.1bn) budget that the loans included $40m from the World Bank, $30m from the Inter American Development Bank, and several smaller packages from various sources, including the Japanese Government and the Organisation of Petroleum Exporting Countries (Opec) totalling $40m.

The situation had been compounded by a fall in earnings from Jamaica's major exports, Mr Seaga said. Falling demand for bauxite ore lost the economy $200m in gross earnings, while sugar and bananas, shipped to Britain, brought in less than projected because of the rise in the value of the U.S. dollar, to which the Jamaican currency is pegged, against sterling.

Perhaps more disturbing to Mr Seaga's Government, if only because of the implications for raising short-term capital, was that two applications to commercial banks, in October and earlier this year, for loans totalling $50m were rejected. Bankers were cautious, the Prime Minister said, because of *problems facing debt-ridden* economies in the region.

This has not dampened Mr Seaga's optimism that he will be able to obtain $120m in loans from European banks with which the Government is negotiating. He is also optimistic about next month's IMF board meeting. "There is every likelihood that it will be approved," the Prime Minister said of his request for a waiver.

The latest problems with the IMF facility follow earlier, reportedly contentious discussions between the Government and the IMF about the budget deficit. The Prime Minister said these problems had been overcome, with a compromise to change this year's deficit target to 12.8 per cent of GDP from 10 per cent, which now becomes next year's target. His Government had done well, Mr Seaga argued, in bringing the deficit down from 17.1 per cent of GPD in 1980 to 13.7 per cent last year.

The Prime Minister is clearly hoping that he will not have to haggle with the IMF about a new pact. The harsh conditions which he intimated might be asked could include a devaluation, a politically unpopular move in Jamaica, where a series of depreciations in the late 1970s eroded the popularity of the former Government of Mr Michael Manley. Mr Manley suffered a humiliating defeat in the October 1980 election which brought Mr Seaga into office.

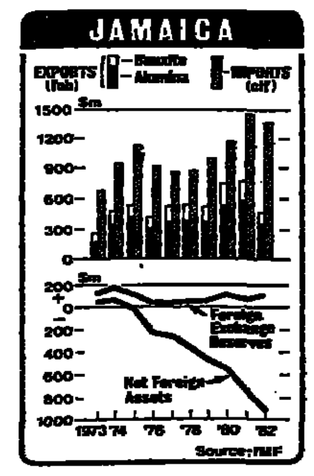
If a devaluation has to be implemented, the ground has already been prepared with the establishment of a "parallel" foreign exchange market in January. In an effort to kill a thriving black market in hard currency, commercial banks have been allowed to buy currency at floating rates which they set. These funds are then sold to businesses approved by the Government, taking pressure off the limited foreign currency reserves of the central bank.

In opening the budget debate, Mr Seaga presented a "balance sheet" of his Government's successes and failures in the past year. Despite the international recession, the economy continued to grow, if only marginally. GDP growth in 1981, originally put at 1.9 per cent, was revised by the Prime Minister to 3.9 per cent, with the hope that the estimated 0.2 per cent growth of last year would also be found to be higher.

Speaking of his Administration's failures, Mr Seaga pointed to the continuing chronic shortage of hard currency and a growth in unemployment last year to 29 per cent.

These setbacks will hardly affect the Prime Minister's hold on power. The next election is due in two and a half years, and his party holds 51 of the 60 seats in Parliament. Recent public opinion polls which showed a fall in support for the Government were countered by others showing that a majority of Jamaicans felt Mr Manley's party was not yet ready to take on the responsibilities of government.

While hanging on the slender thread of a positive reply from the IMF board, Mr Seaga will have to start scratching around for an additional $700m to help pay for this year's costs of debt servicing and imports of oil, food, drugs, raw materials and capital goods. With increasingly conservative bankers, the prospects are far from bright.



Covert U.S. support of Nicaraguan rebels 'counter-productive'

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

DEMOCRATS in the House of Representatives have criticised covert U.S. support for the right-wing guerrillas fighting the Sandinista Government of Nicaragua as ineffective and counter-productive, adding further fuel to the congressional rebellion against President Ronald Reagan's Central American policies.

In an important concession to the Administration, however, they have acknowledged that the left-wing guerrillas trying to overthrow the embattled U.S.-backed government of nearby El Salvador are receiving active support from the Nicaraguan Government.

The Democrats said intelligence information showed "with certainty" that "a major portion of the arms and other material sent by Cuba and other Communist countries to the Salvadorean insurgents crosses Nicaragua with the permission and assistance of the Sandinistas."

While the Administration has claimed that 70 per cent of the guerrillas' military supplies come from Nicaragua, critics of Mr Reagan's policies have hitherto poured scorn on the allegations for lack of proof.

The unusual report by the Democratic majority on the House Intelligence Committee said that by supporting the Nicaraguan rebels, the Administration had allowed "the spotlight of international opprobrium" to shift from Sandinista attempts to subvert the Government of El Salvador to a U.S. attempt to subvert that of Nicaragua.

The report revealed that as long as a year ago Congress had secretly restricted covert support for the Nicaraguan rebels to operations intended to intercept arms shipments to the El Salvador guerrillas.

Last December, the restriction was made public in the Boland amendment, which stipulated that U.S. covert funds must not be used to overthrow the Nicaraguan Government.

The report accused the Administration of failing to respect both public and secret limitations on the covert operations and said that as long ago as December 1981 the committee had raised questions about the number and tactics of the anti-Sandinista forces, the extent of U.S. control and the possibility of military clashes between Nicaragua and Honduras, where the rebels have established bases.

The Democrats said the arms flow to the El Salvador guerrillas had not been interrupted by the Central Intelligence Agency's covert operations in the area. "The acid test is that the Salvadorean insurgents continue to be well-armed and supplied," the report said.

Bid to ease IMF loan terms as Brazil rescue falters

BY STEWART FLEMING IN BRUSSELS, ANDREW WHITLEY IN RIO DE JANEIRO AND ALAN FRIEDMAN IN LONDON

BANKERS trying to salvage Brazil's multi-billion dollar rescue package are examining the possibility of accelerating the payments of International Monetary Fund (IMF) and commercial bank support loans in order to make up the shortfall of funds facing the country because of insufficient restoration of $1.5bn of interbank credits.

Efforts continued in New York and Washington yesterday to find a way of replacing the vital element in Brazil's package – the $1.5bn of interbank lines – which looks increasingly unlikely to succeed in its present form.

Dr Carlos Langoni, Brazil's central bank governor, is meeting Reagan Administration officials and IMF executives in an effort to get the terms of the IMF's $4.9bn of loans relaxed. The failure of more than 200 banks to co-operate on the interbank issue is exacerbating Brazil's serious liquidity shortage and some bankers yesterday suggested that unless progress is made quickly and new funds are forthcoming the country may be forced to consider a moratorium on repayments of its $90bn of foreign debt; gross arrears already total around $800m.

If IMF and commercial bank loan tranches are paid ahead of schedule, this could help Brazil over its current cash flow squeeze. Brazil has already drawn some $2.5bn of its $4.4bn of commercial bank loans and the next payments are instalments of $633m each in June, September and December.

So far hardly any of the IMF loan has been drawn down. The next drawdown is scheduled for next month, assuming the IMF decides Brazil has met the conditions it has set. It is very unusual for the IMF to accelerate payments, but it could decide to waive its conditions if Brazil can prove that outside circumstances such as the failure to restore interbank lines have blown it off track.

The IMF is being pressed to waive several conditions because Brazil has failed to meet its IMF-agreed targets for the first quarter of 1983.

One problem which some commercial bankers say is complicating the Brazil package is the lack of co-operation from some central banks in Europe.

Figures released yesterday by the Brazilian Central Bank in its annual report helped explain how and why Brazil found itself in such a severe liquidity squeeze last year.

The country's interest payments on its foreign debt tripled between 1979 and 1982 to reach $12.6bn at the end of last year.

Eastern to get more credit

By Paul Taylor in New York

EASTERN AIRLINES, the financially-troubled fourth largest U.S. carrier, yesterday won the approval of its major creditor banks for its financial recovery plan after reaching a tentative agreement on a package of wage and other concessions with its airline workers.

Eastern's agreement with its bankers came at a meeting yesterday morning with Chase Manhattan Bank and Citibank. Under the agreement, which is subject to approval by Eastern's other bank creditors, the two lead banks agreed to reopen a much-needed $400m credit line to Eastern.

Eastern also announced details of a $300m package of new debt securities which it plans to offer its employees in return for wage and other concessions.

Eastern said the proposed issue would involve a combination of securities including up to $215m in 5 per cent convertible subordinated debentures, $110m in 10 per cent subordinated investment bonus credits and $35m in subordinated retroactive wage deferral credits. Although the package adds up to more than $300m, Eastern said it expected $300m to be the maximum.

Eastern workers could end up owning a substantial minority stake in the airline.

The complicated package of securities is part of Eastern's plan to win major concessions from its workers. The airline is seeking to obtain at least $200m in wage deferrals and investments

Eastern reported a first-quarter loss of $60.7m compared with a loss of $51.4m in the same period last year. In 1982, the airline reported a full-year net loss of $74.93m.

Shultz rejects calls for fixed exchange rates

BY ANATOLE KALETSKY IN WASHINGTON

THE REAGAN Administration is not prepared to contemplate a return to fixed exchange rates and is determined to give the post-1973 system of currency floating "a chance to perform," Mr George Shultz, the U.S. Secretary of State, said yesterday.

In a strongly-worded speech to a special conference organised ahead of the Williamsburg summit by Congressman Jack Kemp and Professor Robert Mundell, two strong proponents of a return to fixed exchange rates and a gold standard, Mr Shultz underlined his strong personal commitment to the present international economic system.

As Treasury Secretary under President Richard Nixon, Mr Shultz played a pivotal role in the abandonment of the Bretton Woods system of fixed exchange rates in favour of free floating.

The tone of Mr Shultz's speech made clear that the calls for active government intervention in planning world recovery likely to come from some of the leaders at Williamsburg will be as unwelcome to Mr Shultz as to other, more outspoken, Reagan Administration officials, such as Mr Beryl Sprinkel, the Treasury Under Secretary for Monetary Affairs.

As well as rejecting fixed exchange rates, Mr Shultz strongly attacked the notion that governments could promote growth and development in their domestic economies through any kind of state industrial planning.

Planning has become a bone of contention in U.S.-Japanese economic relations after U.S. industrialists and Administration officials said Japan's system of co-operation between government and business had given Japanese companies an unfair advantage over U.S. competitors.

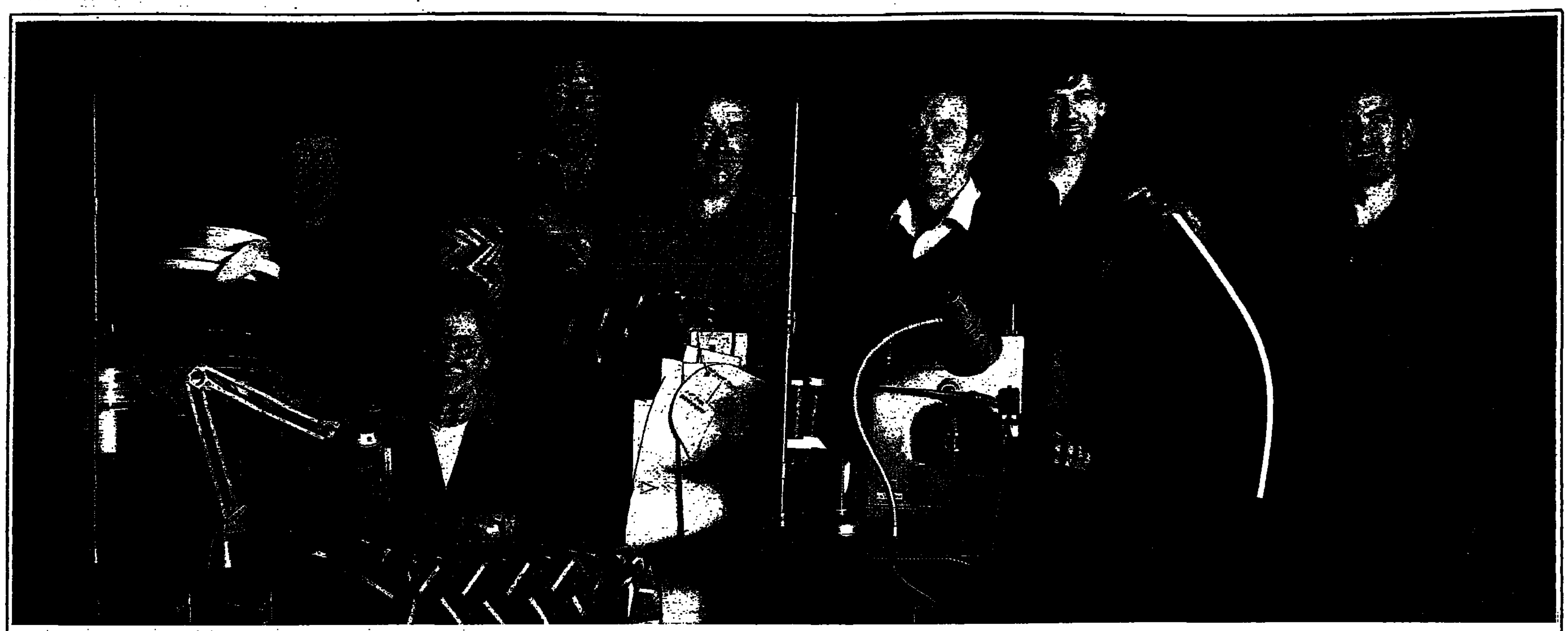
In what may have been a veiled warnig tothe Japanese, Mr Shultz declared that plan-ig is "a threat to economic expansion and world trade."

Aggressive dismantling of protectionist trade barriers, focussing particularly on the developing countries, was the best way to achieve world economic growth, he insisted.

Bank holding company rules revised by Fed

THE Federal Reserve Board has proposed new simplified and streamlined regulations covering its treatment of bank holding company applications to set up or buy new companies, writes Paul Taylor in New York.

The revised rules would not extend the types of activities which bank holding companies are allowed to engage in but would cut from 90 days to 60 days the time taken to process an application by a bank holding company. They would also reduce the length of time the regional Federal Reserve Boards take to consider other bank holding company plans.



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TECHNOLOGY

EDITED BY ALAN CANE

HEWLETT PACKARD FACES THE CHALLENGE OF PERSONAL COMPUTING

No longer its own yardstick

BY GEOFFREY CHARLISH, RECENTLY IN CUPERTINO

MAJOR CHANGES taking place in the organisation of Hewlett Packard's computer business indicate that the company, which has so far relied almost entirely on internal perceptions of user requirements in, essentially, technical computing, is now facing up to the wide world of personal computing in general.

As Cyril Yansouni, general manager of the newly formed personal computer group said in Cupertino, California last week: "We have tended to look at ourselves as good examples of what to do"—a reference to the fact that, because the company has focused on professional computing, largely in science and engineering, what its own design engineers wanted was usually a good yardstick.

But the world is changing. Yansouni again: "We now find ourselves in a market that is not the fastest growing." The implication is clear enough — that personal computing in the general business sense, for professions other than technical, is a market that HP simply cannot afford to ignore.

So the new approach has been to rationalise computer activity in the company, with Yansouni heading up a new personal computer group that brings together the previously separate hand-held personal, desk top and distributed processing divisions.

The intention is to present a much more significant challenge to several majors in the PC area, starting with IBM (which the industry expects will have sold 500,000 machines by the end of this year). HP's new PC group will start off with a turnover this year of about $500m. The price range covered will be from about $500 at the low hand-held end to about $10,000 for distributed systems.

At the same time HP has decided on a strategy for communications. Surprisingly, perhaps, to some parts of the computer industry, the PABX is to be a key part of the HP approach.

The ultimate objective is to develop a uniform switching centre that will be able to deal with a mix of voice and data—something which, according to Yansouni, has not yet been achieved comprehensively. At the moment computing workstations communicate with each other via proprietary digital networks.

Within four to five years he says, they will do so via the PABX which will become a kind of universal information switching centre that does not distinguish between voice and data. This idea is, of course, being actively promulgated by telephone companies such as STC Business Systems, Plessey, Rolm and Northern Telecom. HP is looking at exchanges made by some of them.

More immediately, however, HP is working towards common software for its workstations, personal computers, portable computers and terminals working to host computers.

The idea is that these will all be able to move documents and information between themselves using a common core of software covering such things as word processing, spreadsheets, graphics, file management and data communications.

A problem for HP is that it has spawned a variety of separate operating systems in its various computing divisions, often proprietary and unique. But now, under a new personal software division created a few weeks ago, the concentration will be on Unix and MS/DOS.

Thus, the company is backing two favourites, particularly since IBM deploys MS/DOS in its PC, and the new group is working towards "transportability" between the two.

So that is another change for HP: it will become possible for many other kinds of unit to be connected into a network that is nominally "HP". The new team is understood to be working with both Microsoft (originators of MS/DOS) and Visicorp of Visicalc spreadsheet fame. But it is also developing its own common software.

The fact that HP is going outside for software is also something of a volte-face. Yansouni is candid: "We do not have the best spreadsheet in the world. On the other hand we are leaders in graphics."

Now, the company will tend to use outside help for office software while continuing to use its own experts for scientific and engineering applications. "It is a strategic decision," says Yansouni, "because we want to become a mainstream personal computing company. In six to 12 months we will look a lot more like a marketing oriented company."

But to bring it about, HP's director of business development, Joe Schoendorf, admitted that changes would have to be made.

He believes that there is a need for integration in marketing and that the present "collection of stand-alone entrepreneurs" is not good enough. He said: "In personal computers we are going to have to raise our market image, but with no compromise on quality."

Schoendorf is making several senior business development appointments in the three areas of computer integrated manufacturing and engineering, in distributed data processing and in the service industries.

Some of these, for example in banking and aerospace, will come from outside — another departure because HP policy has always been to grow from within, in terms of both people and money.

HP has been variously described as "incestuous" and "Japanese" and there is industry debate as to whether the company can carry on any longer the ideas that were laid down by Dave Packard and Bill Hewlett after the Second World War and which remain firmly embedded in many parts of the company.

For example, the company has never had any long term debt and it finances nearly all its development from revenue. In addition, engineers have tended to dominate policy. Schoendorf says: "We will in future invent fewer but more effective products."

One of the new approaches, under development at the Fort Collins plant in Colorado, is HP's "engineering productivity network" in which little by little, many kinds of activity found in the typical factory will be designed to communicate via a common data base.

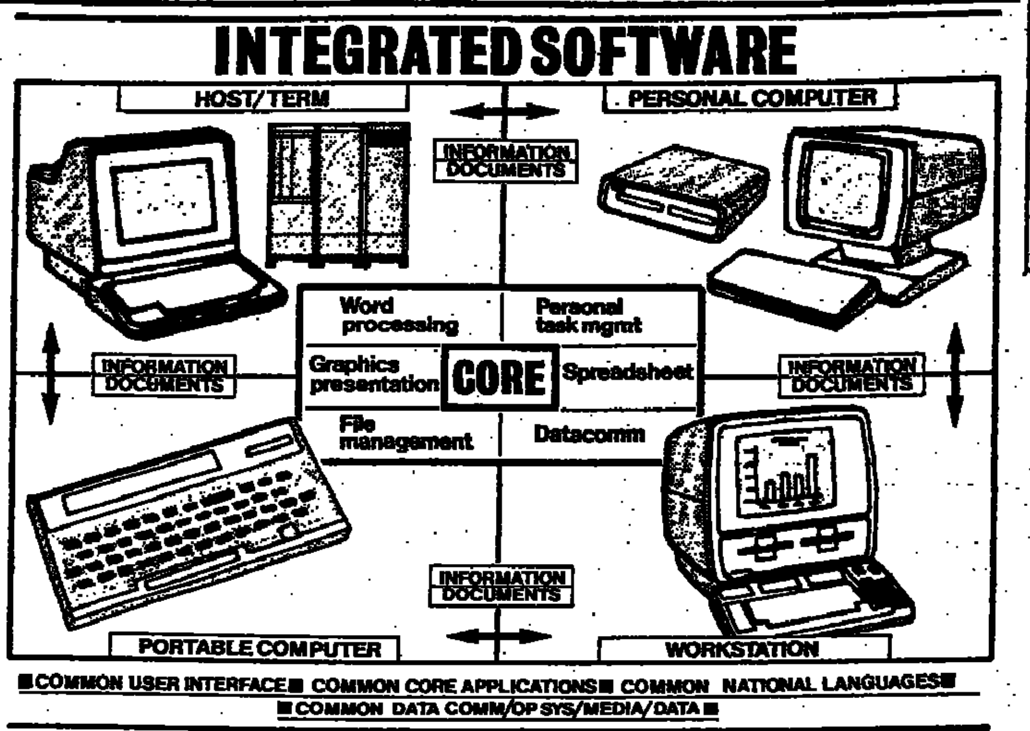
These include screen/keyboard management tools, two levels of computer aided engineering, high performance CAD, low cost computer aided test and multi-user terminal systems for laboratory use.

Product manager, Bill Cummings, said that by next year all of these will be running on Unix with communications over IEEE 802, now about 95 per cent finalised as a standard. But connection of the products developed so far is either via HP's own shared resource network or for high end products, Ethernet.

Change seems to be the watchword at HP at the moment, and there might well be more to come. For example, computers are currently being made at no less than 15 different locations. Quality, and the entrepreneurial business centre approach no doubt account for this but just as product design and marketing is changing, so could manufacturing.

Things are also moving in the other half of the business, test and measurement. For example, it is widely believed in the ATE (automatic test equipment) business that HP is about to confront such companies as GenRad and Teradyne in the large scale digital board testing market.

The equipment, HP3065, is under wraps at Loveland, some 40 miles from Fort Collins and an article about it will appear on this page soon.



H-P's view of integrated software and personal computing

DATA PROCESSING

IBM launches System/36

THE LATEST computer from IBM, launched at the U.S. National Computer Conference in Anaheim, California, this week, uses the concept of integrated software to offer more applications software at time of launch than any other small computer from the giant of the data processing business.

The System /36 combines data processing and word processing (the essential step forward in integrated software) together with business colour graphics and office management utilities.

Purchase price for the basic machine (128,000 bytes of fast memory, 30m bytes of disc storage) in the UK is £13,909 (this is the cost for the processor alone, not a complete system). Top of the range model with 256,000 bytes of fast memory and 400 million bytes of disc storage is £40,899.

To add a further 256,000 bytes of fast memory will cost an extra £2,079.

The machine is numbered between the System /34—one of the most successful computers IBM has ever created—and System /38, but it seems clear that it is a System /34 type computer—in other words, a comparatively orthodox computer rather than the innovative and sophisticated System /38, IBM's "architecture for the future."

This is borne out by the comparisons IBM uses to distinguish the System /36 from others in the range. It is for example, 50 per cent less expensive in maintenance charges than the System /34 while it will run all the System /34 software.

The impression is that it is very much a top-of-the-line System /34 requiring only *migration* for the existing /34 user; to move to System /38 with its innovative software characteristics is *conversion*.

The System /36 can use the terminals and most other devices that can be attached to the System /34 including the IBM Personal Computer.

Up to 30 local and 64 remote terminals can be attached to the new machine. It includes extensive self-diagnostic capabilities that are said to ensure high reliability and make service quick and easy.

It can operate as a stand alone machine or in a network with other /36s or other IBM computers.

IBM has also launched:

- A printer that produces high quality camera-ready masters for printing;
- Enhanced software that enables IBM PCs attached to the IBM 5520 system—an office automation computer systems—access to large IBM mainframes.

In the UK, IBM has launched a piece of software called graphical data display manager (GDDM) which provided the non-computer professional with the means of creating data graphs on IBM's most popular computer terminals, the 3270 series.

Developed at IBM's Hursley Laboratory near Winchester, the new software will be available from July, 1983.

The GDDM software and the ability to link personal computers to mainframes through the 5520 system are two more electronic office offerings indicating the gradual unfolding of IBM's office automation strategy.

ALAN CANE

Japanese machine tools

Kitamura in the UK

THE Kitamura Mycenter 1 vertical machining centre, designed for sub-contractors and small to medium engineering shops is now available in the UK at less than £40,000.

Designed and built on the basic bed type construction of earlier Mycenter machines, the new model has a 150 to 10,000 rpm range, a table size of 305 by 686 mm, and travel of 457 mm on the X axis, 305 on the Y and 405 on the Z.

The machine can be equipped with a fully enclosed pallet system for less than £50,000.

Inquiries in the UK are being handled by Ringway Machine Tools, Beechwood, Manchester Road, Knutsford, Cheshire (M.C. Cash 0565 4916).

Moi hopes Kenyan election 'will rid system of corruption'

BY MICHAEL HOLMAN IN NAIROBI

PRESIDENT DANIEL ARAP MOI of Kenya yesterday announced that a general election will be held in September, a year earlier than expected, in order "to clean the system" of corruption and disloyal politicians.

Mr Moi, addressing a special session of the governing council of the ruling Kenya African National Union (Kanu), said that he stood by his allegations of May 8 in which he accused unnamed foreign powers of grooming "a certain person" to take over from him.

The allegation created a political furore, with Mr Charles Njonjo, Minister for *Constitutional Affairs, at the* centre. Politicians and Kanu officials hinted that Mr Njonjo was involved, a charged he denied vigorously on Monday.

Some observers expected Mr Moi to name the person he had in mind at yesterday's closed session of the council, but despite calls from delegates, the President refused to do so.

Mr Moi's strategy is not immediately clear. By failing to give details of the plot and plotter but reviving his allegation, the mood of suspicion and witch-hunting is unlikely to abate.

The long delay before the polls will allow the faction fighting which has characterised Kenyan politics under Mr Moi to intensify and the process may well distract Ministers from the task of coping with Kenya's economic difficulties which forced the Government to seek assistance from the International Monetary Fund earlier this year.

Relations with Britain are likely to remain uneasy, if not strained, for in his original allegation, Mr Moi hinted at UK involvement.

Despite a meeting last Friday with Sir Leonard Allinson, the High Commissioner to Kenya, there has, so far, been no public gesture from the President which would end speculation.

In a short prepared address to the Kanu meeting, released later to the Press, Mr Moi questioned the loyalty of unnamed ministers and senior civil servants.

"Greed and selfishness" at a *high level had made it* very difficult to eliminate corruption which in turn was "undermining our effort to reconstruct our economy," said Mr Moi.

Kenya is a one-party state, and elections were last held in September 1979 following the death of President Jomo Kenyatta.

The timing of the poll makes it unlikely that the long overdue elections for Kanu party offices can now take place before voting. A key contest in the Kanu elections was expected between Mr Mwai Kibaki, the vice-president, and his longtime rival, Mr Njonjo.

Mr Kibaki is likely to retain his parliamentary seat without difficulty, while Mr Njonjo is almost certain to face a serious challenge. Should Mr Njonjo *lose his seat, he would be* without an obvious power base from which to mount a challenge at the Kanu elections.

HIGHLIGHTS OF LEBANESE-ISRAELI TROOP WITHDRAWAL AGREEMENT

Parties declare the state of war has been terminated

THE OFFICIAL English text of the Lebanese-Israeli troop withdrawal agreement includes the following provisions:

● The parties undertake to respect the sovereignty, political independence and territorial integrity of each other. They consider the existing international boundary between Lebanon and Israel inviolable. They confirm that the state of war between Lebanon and Israel has been terminated and no longer exists. Israel undertakes to withdraw all its armed forces from Lebanon.

● The parties undertake to settle their disputes by peaceful means in such a manner as to promote international peace and security, and justice. In order to provide maximum security for Lebanon and Israel, the parties agree to establish and implement security arrangements, including the creation of a security region.

● The territory of each party will not be used as a base for hostile or terrorist activity against the other party, its territory, or its people. Each party will prevent the existence or organisation of irregular forces, armed bands, organisations, bases, offices or infrastructure, the aims and purposes of which include incursions or any act of terrorism into the territory of the other party, or any endangering the security of the other party and safety of its people.

● Each party will refrain

—From organising, instigating, assisting, or participating in threats or acts of belligerency, subversion, or incitement or any aggression directed against the other party, its population *or property, both within its* territory and originating therefrom, or in the territory of the other party.

—From using the territory of the other party for conducting a military attack against the territory of a third state.

—From intervening in the internal or external affairs of the other party.

● Each party will prevent entry into, deployment in, or passage through its territory, its air space and, subject to the right of innocent passage in accordance with international law, its territorial sea, by military forces, armament, or military equipment of any state hostile to the other party.

● Nothing will preclude deployment on Lebanese territory of international forces requested and accepted by the Government of Lebanon to assist in maintaining its authority. New contributors to such forces shall be selected from among states having diplomatic relations with both parties to the present agreement.

● A joint liaison committee will be established by the parties, in which the U.S. will be a participant. It will be entrusted with the supervision of the implementation of all areas *covered by the agreement.* In matters involving security arrangements, it will deal with unresolved problems referred to it by the security arrangements committee.

● The joint liaison committee will address itself to the development of mutual relations between Lebanon and Israel, inter alia the regulation of the movement of goods, products and persons, communications, etc.

● Each party, if it so desires and unless there is an agreed change of status, may maintain a liaison office on the territory of the other party in order to carry out the above-mentioned functions within the framework of the joint liaison committee and to assist in implementation of the agreement.

● The members of the joint liaison committee from each of the parties will be headed by a senior government official. All other matters relating to these liaison offices, their personnel, and the personnel of each party present in the territory of the other party in connection with the implementation of the agreement will be the subject to a protocol to be concluded between the parties in the joint liaison committee.

● *Each of the two parties* will take, within a time limit of one year as of entry into force of the agreement, all measures necessary for the abrogation of treaties, laws and regulations deemed in conflict with the agreement.

● Disputes between the parties arising out of the interpretation or application of the agreement will be settled by negotiation in the joint liaison committee.

The annex to the agreement specifies details concerning establishment of a security region bounded in the north by a line (Line "A") [45 kms inside the Lebanese border] and in the south and east by the Lebanese international boundary.

● The Lebanese army, Lebanese police, Lebanese internal security forces, and Lebanese auxiliary forces are the only organised armed forces and elements permitted in the security region except as otherwise designated. They may be stationed in the security region without restrictions as to their numbers, and equipped only with personal and light automatic weapons and, for the internal security forces, armoured scout or commando cars.

● *Two Lebanese army brigades* may be stationed in the security region. One will be the Lebanese army territorial brigade stationed in the area extending from the Lebanese-Israeli boundary to Line "B" [15 kms inside the Lebanese border]. The other will be a regular Lebanese army brigade stationed in the area extending from Line B to Line A.

● Within the security region, Lebanese army units may maintain their anti-aircraft weapons as specified in the appendix. Outside the security region, Lebanon may deploy personal, low, and medium-altitude air defence missiles after a period of three years from the date of entry into force of the agreement.

● Military electronic equipment *in the security region will be* as specified in the appendix. Deployment of ground radars within 10 kms of the Lebanese-Israeli boundary should be approved by the security ararngements committee. Ground radars throughout the security region will be deployed so that their sector of search does not cross the Lebanese-Israeli boundary.

Ambassadors David Kimche of Israel (left) and Lebanon's Antoine Fattal (right), with Morris Draper of the U.S., after the agreement was signed in Khaldeh.

● The security arrangements committee will establish joint supervisory teams composed of an equal number of representatives from each party. The teams will conduct regular verification of the implementation of the provisions of the security arrangements in the agreement. The teams shall report immediately any confirmed violations to the security arrangements committee and *ascertain that violations have* been rectified.

● The teams will enjoy freedom of movement in the air, sea, and land as necessary. The security arrangements committee will determine all administrative and technical arrangements concerning the functioning of the teams including their working procedures, their number, their manning, their armament and their equipment.

● The security arrangements committee will ensure that practical and rapid contacts between the two parties are established along the boundary to prevent incidents and facilitate co-ordination between the forces

According to an annex to the agreement, each joint supervisory team will be commanded by a Lebanese officer, who will *recognise the joint nature of* the teams when making decisions in unforeseen situations during the conduct of daily verification missions. While on a mission, the joint supervisory team leader at his discretion could react to any unforeseen situation which could require immediate action. The teams will not use force except in self-defence.

Increased backing from Moscow has bolstered Syrian confidence in rejecting yesterday's agreement, according to diplomats in Damascus, although they add that Syrian opposition was likely whatever the degree of Moscow's support, writes Patrick Cockburn in Damascus.

Relations between Damascus *and Moscow have been* improving since the end of last year, after Syrian disappointment at the Soviet assistance they received during the confrontation with the Israelis earlier in 1982.

Moscow has supplied Sam-5 anti-aircraft missiles—mainly, though not entirely, manned by Soviet specialists—and has replaced equipment destroyed in the fighting. This has improved Syrian morale and diminished the country's sense of isolation.

Since Egypt signed its treaty with Israel in 1978, Syria has acknowledged its military weakness compared with Israel.

Soviet aid is the key to redressing this imbalance, but the psychological and political boost it provides may prove more important than the military advantages gained from the new agreement.

Sri Lanka mini-poll may restore political reality

BY MERVYN DE SILVA IN COLOMBO

SRI LANKA is to hold a mini-election today in 18 parliamentary constituencies, just six months after the Government of President J. R. Jayawardene won a referendum extending the life of the parliament until the end of the decade. The poll, deliberately arranged by Mr Jayawardene, "is all in the interests of democracy," he says.

The move is a characteristically ingenious exercise by an astute leader who celebrated his 40th year in politics last month. For although the referendum to extend the rule of his government until 1989 was won comfortably, there were pockets of strong opposition to the entrenchment of a parliament which is a major distortion of political reality.

In the last Sri Lankan parliamentary election in 1977, Mr Jayawardene's conservative United National Party (UNP) won 51 per cent of the vote but gained 143 of the seats in the 168-seat parliament, a massive majority.

The Freedom Party (SLFP) led by Mrs Sirimavo Bandaranaike, the former Prime Minister, won only eight seats for its 29 per cent of the vote, while the Tamil United Liberation Front (TULF) gained 17 seats for its 6.5 per cent of the vote, making it the official opposition party and giving the Tamil separatist movement a standing abroad and privileges at home.

In the referendum held last December to extend this Parliament's life the ruling UNP vote was down by 400,000 in the Presidential election two months earlier and there was a 10 per cent drop in turnout in one of Asia's most highly politicised electorates.

More disturbing was the strong "no" vote from the urbanised and highly literate *South-Western coastal belt and* from the south of the country, traditionally regarded, like Kerala and West Bengal in neighbouring India as Sri Lanka's "red belt."

In voicing this anti-UNP sentiment, the Southern coastal areas echoed the hostility of the turbulent Tamil North, another centre of high literacy and political consciousness. No Sri Lanka Government will encourage a linkage of political feeling between these areas in the light of the bloody youth uprising of 1971.

On a single afternoon recently three UNP stalwarts (all Tamils and two of them candidates at the local polls) were gunned down by youths on bicycles, a familiar modus operandi of the proscribed Tamil "tigers" liberation front.

The increasingly brazen young Tamil rebels have lost all faith in the parliament, which has not brought them any closer to the autonomy they demand.

Apart from stemming some of this tension, the mini-election may provide the opportunity for a spring-cleaning for the UNP back bench, one party stalwart says, adding that Cabinet changes can be expected in September.

Indonesia suffers deficit

Indonesia suffered a deficit of $6.8bn on its current accounts for the 1982 fiscal year due to a decline in export revenue, an increase in the value of imports and expansion of services, Mr Radius Prawiro, the Finance Minister, said. AP-DJ reports from Jakarta. The 1982 fiscal year began on April 1 and ended on March 31, 1983.

Japan spending fall

The Japanese Economic Planning Agency (EPA) said in a survey report that unadjusted Japanese corporate capital spending in fiscal 1983, which started on April 1, will fall 3.9 per cent from the preceding year, showing the first decline in six years, Reuter reports from Tokyo. The report, based on a March survey, covered 3,915 companies.

Troops for Afghanistan

The Soviet Union may have sent a new division-sized force of up to 6,000 troops to Afghanistan, Western diplomats reported yesterday, Reuter reports from Islamabad. The diplomats said the troops arrived, probably over the past few weeks, in the provincial capital of Herat near the border with Iran, which has been the scene of recent heavy fighting with Moslem rebels. It was not clear if they were reinforcements for the 105,000 Soviet troops already in Afghanistan.

WORLD TRADE NEWS

India, U.S. in renewed tussle over nuclear plant

By K. K. Sharma in New Delhi

INDIA and the U.S. are locked in renewed tussle over a controversial nuclear plant at Tarapur in Maharashtra state, the operation of which is threatened by the lack of supplies of spares and component that can be obtained only from the U.S.

The two countries have had protracted exchanges over the U.S. ban on enriched uranium for the Tarapur plant. This has just been settled by Washington's agreement that France should supply the nuclear fuel instead.

Even though the first shipment of the fuel has arrived from France, the Tarapur plant has depended on its maintenance and running operations on the U.S. since it was built by General Electric in 1963.

There recently has been considerable delay over clearance for the shipments of the spares, and yesterday India's Atomic Energy Commission announced that one of the two units at Tarapur would be closed next week.

There are suspicions in New Delhi that Washington is delaying clearance of the shipments because it wants to put pressure on India to agree to additional safeguards.

The problem has arisen because India has refused to sign the nuclear Non-Proliferation Treaty (NPT) on the ground that it discriminates in favour of the nuclear powers.

The matter is fast becoming a major issue between the U.S. and India. Mr George Shultz, the U.S. Secretary of State, is to visit New Delhi next month for bilateral talks, and Tarapur is expected to be one of the main subjects for discussion.

EEC-JAPAN DEAL UNDER FIRE

Pressure to import more VCR kits

BY JASON CRISP IN LONDON AND PAUL CHEESERIGHT IN BRUSSELS

THE CONTROVERSIAL agreement between the EEC and Japan designed to limit the flood of video cassette recorders (VCRs) being imported into Europe is facing growing criticism from a number of countries, particularly West Germany and Britain.

The main complaint centres on the inclusion of "knock-down" kits within the overall total of permitted imports af VCRs. A number of European companies say this is a major block to the increased local manufacture of VCRs.

The "accord" was negotiated in February by Viscount Etienne Davignon, vice-president of the Commission and the Japanese Ministry of International Trade and Industry (Miti). It was the first time that Japan and the EEC had agreed on a limit for exports. Previous agreements had been between individual member states and Japan.

The three-year agreement put a ceiling on Japanese exports of VCRs to Europe of 4.55m a year, which compares with 4.9m shipped to Europe in 1982. Included in the ceiling are approximately 600,000 knock-down sets.

The Commission says there was no specific breakdown between finished products and kits, but that there would be enough kits to meet the contractual obligations of the Japanese joint-ventures for European assembly.

In addition the agreement included the establishment of floor prices for Japanese VCRs—based on European-made products—and a guarantee that the European producers could sell a minimum of 1.2m sets within the EEC.

The agreement had two main purposes. One was to limit the growing imbalance of trade between Japan and EEC of which VCRs are an important element. However, the reduction in the number of VCRs sent to Europe is offset to a considerable degree by the higher prices, part of the same agreement. The second was to protect Europe's indigenous video recorder industry, Philips and Grundig.

There are three incompatible formats for video recorders. The most successful is the VHS system developed by JVC and licensed by most Japanese companies. The second is also Japanese, Sony's Beta format. The third, and least popular, is the Philips V2000 system.

Philips has two plants making VCRs, in Austria and West Germany, and Grundig also manufactures in West Germany. The main complaints about the EEC/Japan accord comes from the European companies selling the more successful VHS and Beta formats.

The main assembly of Japanese videos in Europe is by J2T, a joint venture between JVC, Thorn EMI and Telefunken, the German consumer electronics concern taken over by France's Thomson-Brandt. J2T assembles kits in Berlin and Newhaven, with a current combined production of about 400,000 sets a year.

In the UK, Mitsubishi is about to manufacture VCRs in Scotland at a comparatively low rate of 35,000 in 1983 and 80,000 next year. Sanyo also plans to assemble in the UK at similar levels.

In West Germany, Sony is assembling VCRs in Stuttgart. A small plant jointly owned by Bosch and Matsushita making VCRs in Osterode, is being officially opened later this month. Hitachi also plans to make VCRs in West Germany.

A number of European companies want kits excluded from the agreement. It seems unlikely that there will be a significant problem with the limit of 600,000 in the present year. The problem is that it could be a major limitation to the expansion of European manufacture next year.

At present most assembly of Japanese VCRs in Europe is little more than a screwdriver exercise. But Thorn EMI predicts that by the end of next year a substantial part of its production could be European sourced.

A crucial element to this will be Thomson-Brandt which plans to make the VHS mechanism in France under licence for JVC. The sensitive, precision mechanism of a VCR can account for around 20-25 per cent of the product's cost. Thorn EMI also expects to buy a number of electronic components in Europe.

The Japanese are reported to be sticking to the quota agreement rigidly. It seems unlikely they will increase the level of kits without seeing an increase in numbers for overall VCR exports. (Profits on finished products are higher than for kits assembled in Europe). Several companies want kits to be excluded from any agreement.

Although no dates have been set, formal meetings between the EEC and Japan are scheduled for June, July and again in October.

Delay in Australian LNG deliveries agreed

TOKYO — Australian and Japanese companies have agreed to delay first deliveries of liquefied natural gas (LNG) from the North-west Shelf project off Dampier, Western Australia, for one year until April 1988, Tokyo Electric Power Corporation, representing the Japanese buyers, said.

This is the second delay of deliveries from the original plan to ship the LNG to Japan from April 1986. The first deferral to April 1987, was agreed in March last year, Tokyo Electric added.

The latest delay reflects sluggish consumer demand for power and gas in Japan and the continuing negotiations on equity arrangements for the project.

The Australian sellers of the LNG are Shell Development (Australia), Hematite Petroleum, British Petroleum International and Chevron Oil Trading.

A group of five Japanese power utilities and three gas companies signed a letter of intent in July 1981 to buy 5.84m tonnes of the LNG per year for 19 years. But negotiations on price have not been completed, Tokyo Electric said.

The Japanese companies, apart from Tokyo Electric, are Chubu Electric Power, Kansai Electric Power, Chugoku Electric Power, Kyushu Electric power, Tokyo Gas, Osaka Gas and Toho Gas.

The project partners led by Woodside Petroleum, which has a 50 per cent interest, are engaged in talks with two Japanese companies, Mitsubishi and Mitsui on the possibility of their taking up some equity in the project, Tokyo Electric added.

Reuter

Japanese to resume at Bandar Khomeini

By Charles Smith, Far East Editor, in Tokyo

FIVE member-companies of the Mitsui group agreed yesterday with a visiting delegation from Iran that Japan would resume work on the delayed Bandar Khomeini petrochemical complex in return for an understanding that Iran will shoulder additional costs resulting from the Iran-Iraq war.

The agreement which came during the sixth round of negotiations between Japan and Iran represents a major breakthrough for both sides.

Japan is also believed to have agreed to "capitalise," as part of its investment in the joint company which will operthe the complex, overdue interest payments on loans extended to Iran in connection with the complex.

The project was 85 per cent complete in 1980 when the outbreak of the Iran-Iraq war forced Japan to suspend work on it.

The project site has been bombed several times by the Iraqi air force.

One result of the agreement reached this week in Tokyo is that Mitsui group companies will despatch technicians to Bandar Khomeini to review the amount of damage.

The cost of the project which consists of an ethylene production centre and 13 downstream facilities was estimated at $3bn following disruptions caused by the Iranian revolution, but has increased far beyond that level as a result of the war.

Reuter adds from Baghdad: An official Iraqi spokesman said the Bandar Khomeini complex remains a war target for the Iraqi Air Force and Navy.

"Iraq maintains its advice to the Japanese companies that it will not guarantee their safety if they resume work on the complex."

Nigerian officials see progress in trade debt talks

BY QUENTIN PEEL, AFRICA EDITOR

NIGERIA's top three economic officials left London yesterday after preliminary discussions with banks involved in the proposed refinancing of part of the country's arrears on trade payments and are expected to return at the weekend.

The talks involved Prof. Emmanuel Edozien, economic adviser to President Shehu Shagari, Alhaji Abubakar Alhaji, the permanent secretary at the Ministry of Finance and Alhaji Abdulkadir Ahmed, the governor of the Central Bank of Nigeria.

"We have made a lot of progress," Prof Edozien said yesterday. "We want to get this matter settled as quickly as possible so that letters of credit can again be confirmed. That is a major difficulty in our trading relationship with other countries."

Few details have emerged about the negotiations on a proposal by several of the leading banks involved in Nigerian trade finance, including Barclays Bank International, Standard Chartered and Bankers Trust to refinance the arrears owing to each over a period of 18 months. The backlog is officially estimated at some $3bn by the Central Bank of Nigeria but commercial banks believe the figure is at least $5bn.

Exporters to Nigeria were warned yesterday, however, that the pipeline is likely to lengthen in the coming months because of the low level of Nigerian oil production in the first three months of the year.

It is still uncertain how much of the arrears would be involved in any refinancing package, depending entirely on the number of banks taking part. Although 22 were originally involved in discussions on the proposal, only a minority have so far agreed to back it.

The Nigerian officials left yesterday for Paris, where they are expected to talk to leading French banks. Banque Nationale de Paris and Société Générale are both understood to support the proposed deal.

The question of arrears was the major topic at a seminar on the current economic situation in Nigeria organised by the Nigerian-British Chamber of Commerce in London, where several speakers warned of a difficult year ahead.

Mr John Rivett, marketing manager of First Bank of Nigeria, estimated that delays on top priority payments from Lagos—including personal remittances and debt servicing—was around 10 weeks, while delays on payment of letters of credit ranged from 120 to 210 days. On bills and open account trading, the pipeline was of eight months or more.

Although Nigerian imports have been cut significantly by a series of government restrictions, including the imposition of licences for a whole new range of items since January, British exports may have taken a larger share of the shrinking market, Mr Rivett said.

British exports fell from £1.5bn in 1981 to £1.2bn last year, but in the same period, Japanese exports to Nigeria fell more than 40 per cent.

UK records £12.4m trade surplus with Caribbean

BY CANUTE JAMES IN KINGSTON

BRITAIN recorded a £12.4m surplus on trade last year with the 12-member Caribbean Economic Community (Caricom). This was an increase of 139 per cent on Britain's 1981 trade surplus with the community.

Despite a general reduction in international trade, the volume of two-way trade between Britain and Caricom grew last year to £594.8m—£40m more than in 1981.

This was spread both ways, with the UK last year exporting £22.2m more and buying £15m more from community countries.

Of the larger members of the Caribbean community, only Guyana recorded a surplus in trade with Britain, exporting £37.3m more last year than it bought. Guyana's surplus in 1981 was £21.8m.

At the other end of the scale came Trinidad and Tobago, which last year recorded a £93.3m deficit on trade with the UK.

U.S. companies seek Pakistan road contract

By Our Islamabad Correspondent

DMN INTERNATIONAL, a U.S., West German and Pakistani construction consortium, has tendered the lowest bid of $615m (£410m) for the building in Pakistan of the 1,542 km Karachi-to-Peshawar highway—currently one of the world's longest road projects.

The consortium includes John Driggs and Multi Development Incorporated, both of U.S., Phillip Holzmann of West Germany and Nazia of Pakistan.

A total of 17 foreign and 32 Pakistani companies formed 11 consortia for the construction project, bids for which were opened this week by Pakistan's National Highway Board.

The contractor will not be selected on the basis of a low amount of the bid alone. Mr Khalid Amin, Highway Board chairman says: "Cost of the project, the interest rate chargeable on the financial package and prospects of transfer of technology" are the three criteria for selecting the prospective contractor.

The road is to be completed by June 1989.

Officials estimate the total cost of the road at $614m (£410m).

Israel to limit EEC soft drink imports

By Maurice Samuelson

ISRAELIS have developed such a thirst for imported soft drinks that their Government intends to limit the imports under emergency clauses of its association treaty with the European Economic Community.

The Israeli Government, in a cable to the European Commission in Brussels, has said that so far this year it has been asked to license $45m worth of soft drink imports, equivalent in value to its entire soft drinks market.

They have reached this level in a mere three years—from well under $½m in 1980; $1.4m in 1981 and about $8m in 1982.

In its message to the Commission, Israel said it would keep its imports in future to the average level for 1981 and 1982 as the maximum that could be sustained without irreparable damage to domestic producers. Most of the imported drinks come from EEC countries, led by the Netherlands, Britain and West Germany.

Coal project to be rephased

JAKARTA—Indonesia's Mining and Energy Minister Prof Subroto confirmed that a projected $100m expansion of the Ombilin coal mine in West Sumatra will be "re-phased" as part of a cutback in the country's development programme.

"We are going ahead with the Ombilin project but it will be continued on a slightly smaller scale," the Minister said.

Reuter

Tory poll victory would spur new spending cuts

BY PETER RIDDELL, POLITICAL EDITOR

A WIDE review of long-term public spending plans and Civil Service manpower looks certain after the general election if the Conservatives win.

That follows the failure of a recent review to find any significant reductions in spending and manpower below currently planned levels. Consequently, the Conservative election manifesto, to be published today, is expected to contain only a general reference to reducing the share of the public-sector in total national resources.

Mrs Margaret Thatcher, the Prime Minister, had asked spending departments to suggest cuts in expenditure beyond those already planned for the period up to the end of the decade. That was intended to provide room for the tax cuts which Mrs Thatcher wants.

Most spending ministers argued that their programmes had already been cut substantially and could not be reduced further without severely restricting services. They were also reluctant to discuss politically sensitive cuts just before a general election.

A related exercise to reduce further the number of civil servants has also been hindered by the attitude of spending ministers. Present policy is to cut the number to 630,000 by April 1984 and it was hoped to find ways to shed even more.

Treasury ministers and officials make no secret of their dissatisfaction with this. They are determined to put new impetus into the review after the election when the annual survey of spending plans comes before ministers. The Treasury hopes that Mrs Thatcher will put her political weight behind the exercise.

The review is a continuation of last autumn's row over the leaked Central Policy Review Staff paper on long-term trends in public spending. The central issue is that, on present plans, this spending is set to grow by around 1 per cent a year in cost terms after adjusting for inflation.

This trend will severely limit the scope for cuts in income tax that the Tories want to make a priority.

On present plans, the most that can be expected is a reduction in the share of public expenditure in national income as the economy expands. At the time of the budget, the Treasury projected a decline in its share of Gross Domestic Product from 44 per cent in 1982-83 to 41.5 per cent in 1985-86, but that depends heavily on the economy's continuing to grow at levels above those of recent years.

As a result, the Treasury is urging a re-examination of all spending plans to secure a cut in real terms instead of merely maintaining a broadly unchanged level. There has, therefore, been pressure to avoid pledges to new projects in the manifesto.

● In a document published yesterday outlining the building industry's message to politicians of all parties, the National Federation of Building Trades Employers and the Federation of Civil Engineering Contractors attacked the Conservative Government's record on "capital underspending" by central and local government.

They urged the Tories to commit themselves to raising construction investment

They said plans by the Social Democratic Party/Liberal Alliance to boost public investment by £1,000m in their first year of office would increase turnover in the industry by 5 per cent

State oil group set £10m profits target over next four years

BY RAY DAFTER, ENERGY EDITOR

STATE-OWNED British National Oil Corporation, which is at present losing money on its North Sea trading activities, has been told by the Government to make pre-tax profits totalling £10m over the next four years.

The financial target is revealed in the annual report published yesterday. This shows that between August and December last year – the first five months of activity for BNOC as a separate trading company – the corporation made a pre-tax profit of £1.9bn.

BNOC, whose exploration and production interests were floated off as Britoil last year, markets some 60 per cent of UK oil production, most of it on behalf of the Government.

The reports says that while the corporation's annual turnover will continue to be measured in billions of pounds, there will be "very limited" opportunities for making a profit. Under agreements with oil companies, BNOC must buy and sell the state's oil entitlement at the same price; profits can be generated only by third party trading and investments.

Lord Croham, chairman, reports that losses were incurred by the corporation early this year as a result of a deterioration in trading conditions. It is understood that BNOC is still losing money as a result of its inability to sell all its crude at the official contracts rates.

In his report, however, Lord Croham says: "A degree of normality has now returned to the market, and demand is expected to strengthen over the balance of the year."

BNOC's sales in the final five months of last year totalled £3,157m. Most of the oil was acquired through state participation deals, instituted by the Government as a means of ensuring supply security at times of shortages. In addition, the corporation sold oil acquired in lieu of state royalty payments or traded on behalf of Britoil

The report is published at a time when the corporation is at the centre of considerable controversy. Several major companies have called for BNOC's abolition or restructuring on the grounds that it interferes with oil industry market forces.

Printers bid for makers of Monopoly

By Charles Batchelor

NORTON & WRIGHT, a printing group specialising in lottery tickets, is to make a £10.7m share bid for John Waddington, the much larger printing and packaging group best known for the board games, Monopoly and Cluedo.

Norton, which is in the process of changing its name to Norton Opax, is expanding rapidly after a management reorganisation

Waddington has been going through a difficult time and has made big economies, particularly in its games division. A number of its senior executives have left to join Norton which, like Waddington, is based in Leeds, Yorkshire. Mr Peter Stephens, Waddington company secretary, said the bid would be contested.

Norton is offering eight of its own shares for every five of Waddington, valuing each Waddington share at 171p. Norton's financial advisers, Samuel Montagu, will provide a cash alternative worth 132.8p a share by underwriting the new Norton shares at 83p each.

Planned Atlantic air link for business travellers faces test

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PLANS by a new airline, British Atlantic Airways, to fly between Gatwick, near London to Kennedy Airport New York, at a fare of £329 single, faces its biggest hurdle this week, with public hearings into the venture by the Civil Aviation Authority (CAA) in London, starting today.

Objections and representations over the service have been lodged by British Airways and British Caledonian Airways, and by the Air Transport Users' Committee (the civil aviation watchdog on behalf of airline passengers).

British Atlantic's plans, as outlined in its "statement of case" lodged with the CAA, envisage a five-times weekly DC-10-30 tri-jet operation to New York from Gatwick, with a one-class service equivalent to the "business class" offered by other Atlantic airlines.

It is not seeking to compete with the cheap fare service also planned for the North Atlantic (from Gatwick to Newark, New Jersey) by People Express, which in turn is still awaiting approval for its plans from both the Department of Trade and the CAA.

People Express will be catering for the cheapest end of the market, with a fare of $149 single, London–New York, whereas British Atlantic will be trying to tempt the business traveller from the existing airlines – British Airways, Pan American and Trans World Airlines – on the London–New York route.

Departures would be timed to suit business travellers with three daylight flights a week leaving Kennedy Airport at 9 am and two leaving at 7.45 pm; departures from Gatwick would be at noon or 10.45 pm

The airline says that it would carry about 80,000 passengers a year and in its first full year expects to earn a profit of about £2.4m on revenues of about £27.3m.

"British Atlantic will help to restore the UK presence on this vital air corridor which was lost with Laker's demise in early 1982," the airline says. "In addition, it will more equitably balance the demonstrated need by British citizens to use a British carrier."

Moran challenged on company purchase

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR CHRISTOPHER MORAN was alleged in the High Court in London yesterday to have "manipulated" the purchase of an insurance broking concern, Christopher Moran Group (CMG), by Chesterlodge, a company he owns, for less than its true value.

The allegation was made by Elgingrade, a company controlled by Mr Kenneth Rohan, of the Irish Rohan Group. Elgingrade, whose only asset is 200 of the 17.3m issued shares in CMG, appealed unsuccessfully against an order that it must provide £7,000 security for Chesterlodge's legal costs if it wanted to challenge Chesterlodge moves to acquire its CMG shares compulsorily.

Chesterlodge's offer for CMG has been accepted by more than 97 per cent of CMG shareholders and it is, therefore, entitled by the 1948 Companies Act to acquire the balance compulsorily.

Mr Daniel Serota, for Elgingrade, told Mr Justice Harman that in 1981 Mr Moran began negotiations with Rohan Group for the sale to it of CMG. Mr Rohan was told that, though his personal holding in CMG was only 2½ per cent, Mr Moran could speak for more than 50 per cent of the shareholders.

CMG's principal asset was Moran House in the City of London which, Mr Rohan was told, had been professionally valued at about £3.8m. Soon afterwards Mr Moran broke off negotiations and set about buying CMG himself, through Chesterlodge. Chesterlodge's offer valued Moran House at only £2.3m.

Mr Serota said that Mr Rohan was challenging the acquisition of the 200 shares as a matter of principle. There was a public interest in the matter being investigated by the court. It was the only way in which the serious allegation – that Mr Moran had been able to obtain control of a public company at less than its true value-could be investigated.

Mr Serota added that, if the deal with the Rohan Group had gone through, the "supposedly independent" CMG shareholders would have got 40 per cent more for their shares.

Mr Robin Potts, QC, for Chesterlodge, said that he did not accept Elgingrade's allegations against Mr Moran. Elgingrade had produced no evidence that Mr Moran had more than a 2½ per cent interest in CMG, or that the other CMG shareholders were not independent of him.

Mr Justice Harman said that there appeared to be considerable oddities about the valuations of Moran House, which "causes one's eyebrows to rise slightly," and which warranted investigation.

There were further allegations of a more unpleasant sort, alleging that Mr Moran might have a more extensive interest in CMG than had been disclosed in the Chesterlodge offer document. None had been proved and they might turn out to be entirely unfounded, but they too made it a matter for investigation.

Mr Rohan's move was plainly altruistic – if he succeeded he would personally benefit by only about £16. He was acting on a point of principle and it was undesirable that such a venture should be stifled by the imposition of an order for security.

There was, however, no evidence that Elgingrade would be unable to proceed if the security order was upheld. Although its issued share capital was only £2, and its visible assets about £40, there was no evidence that it would have any difficulty in procuring Mr Rohan to provide the £7,000 on its behalf, the judge concluded.

Television opens up to financial advertising

COMPANIES listed on the London Stock Exchange will in future be able to advertise their results on independent television and radio.

It is one of a number of changes announced yesterday by the Independent Broadcasting Authority (IBA) aimed at giving financial advertisers greater flexibility in using television and radio.

The new rules will also permit:

● *Greater promotion of company prospectuses;*

● Inclusion of more financial information in corporate advertising;

● Advertising of savings facilities, guaranteed by other EEC Governments, in non-sterling currencies.

The IBA said the advertising would be vetted and, "where necessary", referred to an independent consultant before transmission. "Advertisements must not mislead by exaggeration, omission or selectivity," it added.

Fleet Street newspaper executives said they did not expect a serious loss of advertising revenues.

Options for trusts

UNITS TRUSTS will be allowed to make use of options from June 1. The decision by the Department of Trade, comes within days of a Treasury decision to let pension funds play a more active role on the London International Financial Futures Exchange, and signifies a growing acceptance by the regulatory authorities of the new financial markets.

BL warning

LEYLAND VEHICLES, BL's truck making offshoot, would be in jeopardy if a strike over redundancies at the Albion axle plant in Glasgow did not end by next Monday, Mr Ron Hancock, chairman and managing director, said yesterday.

Earlier in the day, Sir Austin Bide, BL chairman, told the group's annual meeting that BL still expected to be "approaching break-even" this year, but there was no chance of paying a dividend in the foreseeable future.

£79m for BR

THE British Rail Property Board met its privatisation target for 1982 and provided British Rail with a record £79m cash.

Income from lettings rose from £57m to £61.6m before tax, despite the continuing erosion of the board's property base as it is forced to sell off its assets. Sales negotiated in 1982 were valued at £57m, although only £34m had been settled in cash at the end of the year.

Port loss rises

THE PORT of Liverpool's trading loss increased last year to £9.5m from £7.5m in 1981. Sir John Page, chairman of the Mersey Docks and Harbour Company, said yesterday that the port had made a good start to the year

Companies Bill

THE ISLE OF MAN intends to develop its financial sector by introducing an Exempt Companies Bill to cover areas of offshore business. The island's budget yesterday left the standard rate of income tax unchanged at 20p in the pound.

Steel jobs hit

NEARLY 400 tube workers at the British Steel Corporation plant in Corby, Northants, are to be put on short-time because of a serious drop in orders.

UK NEWS

Peter Riddell, Political Editor, assesses the difference between the British parties

Policies show biggest contrast in over 50 years

THE BRITISH electorate on June 9 is being offered a choice of completely different approaches to the running of the economy and to the UK's international relationships.

The programmes of the parties diverge far more than at any time in over 50 years. The policies of both the Conservative and Labour parties represent not only a big contrast with each other, but also with the consensus about the running of the economy and society which dominated British politics from the late 1940s to the early 1970s.

Now there is a major third group, the Social Democratic / Liberal Alliance, which rejects such ideological divisions and wishes to build on the post-war consensus.

The political system was dominated by the Conservatives and Labour until the mid-1970s. Between them, the parties won over 90 per cent of the total vote at elections during most of the post-war period, and often a higher proportion.

The Conservatives have traditionally been the party of the middle class, of business and agriculture.

In contrast, Labour has drawn most of its support from the industrial working class and has had close formal links with the trade unions, which have provided most of its finance.

The balance shifted during the 1970s. The decline of the traditional industrial working class and the rise of a new middle class in public sector and professional jobs blurred class lines.

So class identification with a particular party weakened, at the same time as the economy and social pressures of the 1970s were leading the parties into more ideological and extreme positions.

The result was a decline in the dominance of the Conservative and Labour parties. In the two 1974 general elections, the main parties took only about three quarters of the to-

tal vote in face of a resurgence of the Liberal Party, a long-established centre group, and of regional groups in Scotland, Wales and Northern Ireland (the latter being a special case where religious divisions are crucial).

The two parties, and particularly the Conservatives, reasserted themselves at the last general election in 1979, but the Liberals and other parties still received 17 per cent of the total vote.

There was an increasing north/south divide as the Conservatives drew their support predominantly from the southern half of England and the Midlands, the shires and the suburbs. In contrast, Labour became even more the party of the inner city, of manufacturing towns, the North, Wales and Scotland.

A new challenge quickly appeared in the shape of the Social Democratic Party (SDP), which soon allied itself with the Liberals under Mr David Steel to present a joint programme and to arrange a division of candidates between themselves.

The SDP was formed by leaders of the right wing of the Labour Party who had been increasingly worried by what they saw as the leftwards drift of Labour, especially in its international policies and by the growing power of far-left groups, some with Trotskyist links.

The key events were a series of constitutional changes which reduced the power of elected Labour members of the House of Commons and the election as leader in November 1980 of Mr Michael Foot, a lifelong standard bearer of the left, rather than Mr Denis Healey, a determined right-winger and internationalist.

The SDP was formed in early 1981 by Mr Roy Jenkins, the president of the EEC Commission in Brussels from 1977 to the end of 1980, along with Dr David Owen, the former Labour Foreign Secretary and two other ex-Labour Cabinet Ministers, Mrs Shirley Williams and Mr William Rodgers.

Their opportunity was increased by the more ideological tone taken by Mrs Margaret Thatcher after she became Conservative leader in 1975 and Prime Minister in 1979, and by the sharp rise in unemployment in 1980–81. The Alliance enjoyed a big initial surge in support, winning a number of by-elections, and a realignment of British politics seemed in prospect.

Yet the election campaign starts with Mrs Thatcher as clear favourite. Her strength is in part because of the divisions among the opposition. But it also reflects the impact of her determination to press through with policies to reduce the rate of inflation – from an annual rate of about 10 per cent when she took office to less than 5 per cent now – despite a doubling in unemployment to over 3.2m.

Mrs Thatcher defeated her internal critics in 1981 and confirmed her authority as a popular leader during the Falklands war a year ago. The Conservatives have summed this up in the slogan "the resolute approach."

The main theme of the Conservative campaign is the need to increase personal choice by reining back the public sector. There are pledges to cut income taxes, to reduce public spending, to sell state housing and industries and to stimulate the private provision of social services.

This is coupled with a firm commitment to Nato and to the current round of disarmament talks. The Conservatives also stress Britain's membership of the EEC

The Labour approach is completely different, reflecting the leftward shift of its policies. There is a commitment to a major expansionsary programme, led by increased public spending, to fulfil the priority of cutting unemployment.

Inflation is to be restrained by discussions on the distribution of all incomes, profits, prices and dividends in a national economic assessment involving the trade unions and industry. The party also proposes greater state involvement in the running of industry.

Perhaps the biggest break with the past are the proposals that Britain should leave the EEC and should adopt a policy of unilateral nuclear disarmament, rejecting the deployment of cruise missiles in Britain and negotiating the closure of all U.S. nuclear bases.

This programme has been accepted, with some private qualifications, by centre right leaders such as Mr Healey, Mr Peter Shore and Mr Roy Hattersley. The party has achieved a fragile unity ahead of the election. These leaders have joined with the trade unions, whose votes dominate the party's decisions, in supporting Mr Foot

Yet Labour starts the campaign well behind the Conservatives in the opinion polls

Mrs Margaret Thatcher: her 'resolute approach'

The SDP / Liberal Alliance also starts the election in a weaker position than it hoped. This is because of the strength of Mrs Thatcher after the Falklands war and because of a recovery in Labour's support among its traditional working class voters.

Under Britain's first-past-the-post voting system, a party with wide national support has to achieve more than 30 per cent of the total vote in order to win many seats in Parliament. The Alliance is well short of the level.

The Alliance's problem is that it has so far failed to establish a clear identity with voters about where it stands.

Its policy priorities are moderate expansion, an incomes policy to restrain inflation, partnership between the state and the private sector and full support for Britain's membership of the EEC and of Nato.

Labour insists interest rates would not soar

BY IVOR OWEN AND MARGARET VAN HATTEM

MR PETER SHORE, Labour's shadow Chancellor of the Exchequer, insisted yesterday that the party's plan to increase public sector borrowing, if it wins the general election on June 9, would not drive up interest rates to unacceptable levels.

Labour's policy, announced in its election manifesto published this week, envisages a £11bn stimulus to the economy which would step up public sector borrowing from about £8bn to £14bn. But Mr Shore maintained that this would not lead to competition for capital and savings on a scale which would send interest rates soaring.

He refuted suggestions by the Prime Minister and other Conservative leaders that higher government borrowing inevitably entailed higher interest rates.

Mr Shore was questioned at the party's press conference, which will be held daily during the election campaign, about the exchange rate policy which would be pursued by a Labour government. He refused to specify a particular parity for the pound but, he commented: "I do believe that we have to have a competitive and honest pound.

"By competitive, I mean one which genuinely reflects the relevant costs of production in this country."

Mr Shore renewed his attack on the Government for keeping interest rates at high levels to prop up the pound and produce the "ludicrous" over-valued currency which, he said, caused such damage to British industry in 1980 and 1981. Since then the pound had moved down quite substantially.

Mr Denis Healey, the deputy Labour leader, also played down the effect of higher government borrowing on interest rates. He claimed that in the first year of implementation the new programme would have the effect of only raising the level of public sector borrowing, as a percentage of gross domestic product, from 3.3 to 5.7 per cent.

Recalling his own period of office as Chancellor of the Exchequer, he stressed: "That would be well below the level prescribed for me (6.8 per cent) by the International Monetary Fund."

Mr Michael Foot, the Labour leader, kept up the party's campaign theme of unemployment and wasted resources during a tour of towns in north-west England yesterday.

A job should not be a gift – it should be a right, he told an audience in Liverpool. The most terrifying and tragic aspect of Tory policies was the waste of Britain's young people, he said. Over half the

Mr Peter Shore: need for a 'competitive' pound

16 to 17-year-olds were now out of work; 1.25m under 25s were out of work, a quarter of them for more than a year; in Liverpool alone 7,000 school leavers were registered unemployed.

"Most of those who are not actually on the dole (unemployment pay) now are in dead-end schemes which do no more than delay their arrival on the dole queue," he said. "This is a waste of a generation.

"Many people growing up now are being trained for a world with no work, no money and no hope."

Conservatives see new hope in UK

BY OUR POLITICAL STAFF

THE CONSERVATIVES held the first party political election broadcast on television last night with the message: "Britain's on the right track – don't turn back."

The broadcast – paid for by the party – stressed the Government's achievements since coming to power in 1979. It said it had required "courage and perseverance" to reverse Britain's decline, but now the "first fruits" were beginning to be seen.

It claimed that Britain was coming out of the world recession "even faster than France and West Germany." Exports were at record levels, productivity and the standard of living was up, and new jobs were being created. Inflation was at the lowest rate for 15 years and there was "new hope in Britain."

Mrs Margaret Thatcher, the Prime Minister, warned Conservative Party staff yesterday that the opinion polls were likely to indicate during the election campaign some reduction in the Tories' substantial lead.

Speaking at Conservative Central Office, she said: "We know that somewhere in the middle of the campaign there will be a very rough passage. That is the point of time when we have to stay absolutely calm and stay absolutely together."

Scottish nationalists urge 'massive' vote

BY MARK MEREDITH

MR GORDON WILSON, chairman of the Scottish National Party (SNP), said yesterday that Scotland must play the nationalist card to fight the destruction of the region's economy.

Launching the nationalists' election campaign, he predicted the party would improve on the two seats held in the last parliament. Mr Wilson said there were more than a dozen seats where the SNP was poised for victory, although he refused to name them. In the 1974 election, the nationalists held 11 seats.

Mr Wilson said that any vote in Scotland other than a nationalist vote would see the continued obliteration of Scottish industry.

"The only time Scotland gets noticed is when there is a massive vote for the SNP," he said. Independence was the solution to most of the fundamental problems facing Scotland.

"By playing the nationalist card, Scots can save Ravenscraig (steelworks) and the Scottish shipbuilding industry," he said. "By voting SNP, Scotland can win oil revenues, now worth £1m every hour of every day, to cut unemployment and fight poverty."

Mr Wilson said that the SNP was the only alternative to continued decline under London rule.

The party's election manifesto will be published tomorrow. It is likely to elaborate on SNP themes of independence, devoting oil revenues to create jobs, and a ban on nuclear weapons.

The party had decided not to support a candidate to stand in the Prime Minister's constituency in London.

Heath speaks of 'switch'

By Our Political Editor

MR EDWARD HEATH, the former Conservative Prime Minister, yesterday maintained his detached style of support for Mrs Margaret Thatcher's election campaign.

Interviewed on BBC Radio, Mr Heath said he would be fighting with the Conservative Party and speaking up and down the country.

In language somewhat different from the official party slogan of the "resolute approach", Mr Heath said there had been a switch in the Government's economic policy.

"At the start there was simple monetarism and the belief that all you had to do was fix the money supply and everything else would follow." But there had since been a development of government policy.

Alliance seeks 15 Welsh seats

By Robin Reeves

MR TOM ELLIS, the Social Democrat's president in Wales and MP for Wrexham in the last parliament, said yesterday the SDP/Liberal Alliance hoped to win between 10 and 15 of the 38 Welsh seats.

The Alliance was launching its Welsh election manifesto, entitled The Priorities for Wales, with unemployment as the main issue. Its programme sets out a series of measures to cut Welsh unemployment by 60,000 within two years from its present level of over 180,000, or 17 per cent.

Labour's plan to withdraw from the EEC was attacked as "nothing short of economic madness" which would cost 100,000 jobs in Wales alone.

Stricter criteria for Mareva injunctions

NINEMIA MARITIME CORPORATION v TRAVE SCHIFFAHRTSGESSELSCHAFT mbH und Co KG
Queen's Bench Division (Commercial Court): Mr Justice Mustill: May 10 1983

AN INJUNCTION to freeze a defendant's assets pending judgment in the action against him will only be granted if the court is satisfied that the plaintiff has a "good arguable case," meaning a case which is capable of serious argument, though not necessarily one with more than 50 per cent chance of success. Also, the court must be satisfied on all available evidence, the burden of proof being on the plaintiff, that there is a risk that the defendant will dissipate his assets before judgment is given.

Mr Justice Mustill so held when granting an application by Trave Schiffahrtsgesselschaft mbH und Co KG, sellers of the Niedersachsen, to discharge a Mareva injunction obtained by Ninemia Maritime Corporation, buyers, by which the sellers' assets in the UK were frozen pending the hearing of the buyers' claim against them arising *out of the sale of the* ship.

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HIS LORDSHIP said that the Niedersachsen was sold under a contract in the Norwegian sale form. Clause 18 provided that the vessel should be delivered "free of average damage affecting class."

Before delivery the buyers applied *ex parte* for a Mareva injunction, alleging that the vessel was out of conformity with the contract in that there were leaks in the tubing of the starboard berth, and other defects. They asserted that should they take delivery and pay the price, they would have no security and would be effectively prevented from pursuing legitimate claims against the sellers.

The court declined to grant an injunction. The ship had not been tendered for delivery, the price had not been paid, and the buyers had no cause of action in respect of the alleged defects. There was, at that time, no asset to be attached, and no claim for which to attach it. That ruled out any question of an injunction.

Undeterred, the buyers reappeared the following day having taken delivery and paid the price. In the changed circumstances an injunction was granted. The sum attached was limited to $787,000, the amount claimed.

The sellers now applied *inter partes* to set the order aside.

The first question was, what probability of success at the trial must a plaintiff demonstrate before a Mareva injunction could properly be granted?

A judge hearing a Mareva application was bound to make some assessment of the plaintiff's chance of success at the trial of the action. The damage done by the over-hasty grant of an injunction might well be irretrievable. An application for its discharge might come too late to save a defendant whose liquidity had been abruptly shut down. A cross undertaking in damages was of no consolation to a company which had been ruined.

That being so, there might be something to be said for imposing stricter requirements at the *ex parte* stage of the application than were called for by current practice. The Mareva injunction provided a useful remedy but was not to be used as a vehicle for oppression.

The plaintiff must have a case of a certain strength before the question of granting Mareva relief could arise at all. Even where he showed that he had a case which reached that "threshold," the strength of his case was to be weighed in the balance with other factors relevant to the exercise of the court's discretion.

There were only two direct authorities on the location of the "threshold." The first was the judgment of Lord Denning MR in the *Pertamina* case *[1977] 2 Lloyd's Rep 397*, and the second was Lord Justice Kerr's judgment in *Z v A-Z [1982] QB 558*.

In *Pertamina* Lord Denning said "an order restraining assets can be made whenever the plaintiff can show that he has a 'good arguable case'." In *Z v A-Z* Lord Justice Kerr reiterated that the plaintiff must always demonstrate a likelihood of success, but did not prescribe the degree of likelihood.

The right course was to adopt the test of a "good arguable case," in the sense of a case which was more than barely capable of serious argument, and yet not necessarily one which the judge believed had a better than 50 per cent chance of success.

The second question was what type and degree of prejudice in the shape of risk of dissipation of assets must a plaintiff show before the defendant's assets could properly be detained to await a possible judgment?

It was not enough for a plaintiff to assert a risk that the assets would be dissipated. He must demonstrate it by solid evidence.

That evidence might take a number of different forms. It might consist of direct evidence that the defendant had previously acted in a way which showed that his probity was not to be relied upon. Or, the plaintiff might be able to found his case on the fact that inquiries about the defendant's characteristics had led to a blank wall.

Precisely what form the evidence might take would depend on the particular circumstances of the case.

It would not be enough merely to prove that a company was incorporated abroad, and to allege that there were no reasonable assets in the UK apart from those which it was sought to enjoin.

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In the present case, on the evidence available, the buyers did have a real case for claiming the whole amount to which the injunction related. In those *circumstances they had* demonstrated a sufficient case to satisfy the first of the requirements for the grant of a Mareva injunction.

With regard to the risk of dissipation of assets, the sellers contended that the court should first look at the evidence given for the buyers at the *ex parte hearing, and that if that* was sufficient to establish the necessary degree of risk, the enquiry should go no further.

Counsel for the buyers criticised the sellers' evidence, saying it was incomplete and unsatisfactory.

Neither of those attitudes was wholly correct. A judge who heard proceedings *inter partes* must decide on all the evidence laid before him.

Also, a plaintiff had no right to criticise the defendant's evidence for omissions or obscurities. The less impressive his evidence, the less effective it would be to displace any adverse inferences. But there must be an inference to be displaced if the injunction were to stand. Comment on the defendant's evidence must not be taken so far that the burden of proof was unconsciously reversed.

The omissions in the present case were such that if the sellers had the task of making the court confident that the money would be there when called for, it was doubtful that they would have succeeded. But that was not their task.

They had no obligation to disclose their financial affairs simply to answer a challenge from the buyers which was unsupported by solid evidence. Their reticence did not justify the inference that they had uncomfortable facts to hide.

The buyers failed to prove a degree of risk sufficient to justify the maintenance of the injunction. The injunction would be discharged.

The sellers had also contended that the case was an abuse of the Mareva procedure.

There was something unattractive about the idea of a buyer paying the full price and preparing himself behind the seller's back to deprive him of part of the price. That gave the buyer the best of both worlds.

He was spared the awkward decision whether to reject the sale goods with possible commercial loss to himself coupled with the risk of an action by the seller for non-acceptance.

Instead he got the goods, avoided an action, and could secure himself from a cross-claim in damages pursued in his own good time.

It was doubtful that that was a proper use of the Mareva jurisdiction.

Application granted.

For the buyers: Stewart Boyd QC and Victor Lyon (Holman, Fenwick & Willan).

For the sellers: Tim Young (Ince & Co.).

By Rachel Davies
Barrister

GEC set to retake lead in body scanner market

BY DAVID FISHLOCK, SCIENCE EDITOR

GEC has launched a strong bid to regain for Britain the world lead in electronic diagnosis of illness, once held by EMI with its EMI-Scanner.

In a programme recently approved by Lord Weinstock, GEC's managing director, the company will invest £6m to £8m ($9.3m - 12.4m) by 1985 in research and engineering facilities at Wembley for Picker International, mainly in support of new types of scanner.

Eighty per cent of Picker International is owned by GEC and 20 per cent by Cambridge Instrument. It was set up in 1981 when GEC bought Picker from RCA and merged it with its medical electronic company.

Its £600m – plus sales last year are estimated by its president, Dr Terry Gooding, to rank fourth in volume behind the medical divisions of Siemens, Philips and U.S. General Electric.

Diagnostic imaging systems and other hospital electronics account for two-thirds of Picker's sales, with the balance coming from hospital supplies and services.

Insured cannot cancel underwriter's line

GENERAL REINSURANCE CORPORATION v FORSAKRINGSAKTIEBOLAGET FENNIA PATRIA
Court of Appeal (Lord Justice Oliver, Lord Justice Kerr and Lord Justice Slade): May 13 1983

WHERE INSURANCE is placed or amended by means of a "slip" on which various underwriters subscribe towards the 100 per cent cover by writing "lines," each line gives rise to a contract which binds the insured and the underwriter equally; and accordingly the insured is not entitled unilaterally to cancel that contract in the period remaining before the slip is fully subscribed.

The Court of Appeal so held when allowing an appeal by the reinsurer, General Reinsurance Corporation, from Mr Justice Staughton's decision ([1982] 1 QB 1022) that the reinsured, Forsakringsaktiebolaget Fennia Patria, was entitled to cancel an amendment slip signed by the reinsurer before the slip had been subscribed 100 per cent.

* * *

LORD JUSTICE KERR said that *Fennia was an insurer carrying* on business in Finland. It insured paper products in transit from Canada to Europe on a warehouse to warehouse basis. One of its customers used a warehouse in Antwerp.

Fennia reinsured its liabilities by a "whole account" reinsurance on all risk terms. It also placed facultative reinsurance against the risks of fire and flood at the warehouse in Antwerp.

That reinsurance was written by means of a slip on which *General Reinsurance was the* leading underwriter, followed by 25 others to complete the slip.

On February 12 1977 news of a fire at the Antwerp warehouse reached Fennia. On that date it decided to re-arrange the facultative cover retrospectively as from January 1 1977.

An endorsement slip was prepared and was initialled first by General Reinsurance. Fennia then heard that the fire was serious. It decided not to proceed with the slip and requested General Reinsurance to cancel the amendment line. General Reinsurance refused.

The fire destroyed paper stocks to a value of about FM 27m. On the basis of the original slip, without the amendment, the 26 London reinsurers were liable for FM 12m in excess of FM 15m. On the basis of the endorsement slip, their liability would only have been FM 2m.

All the original reinsurers other than General Reinsurance settled with Fennia on the basis of the original slip.

General Reinsurance claimed a declaration that its line on the amendment slip remained binding, so that its liability was only for its proportion of FM 2m and not of FM 12m. Fennia counterclaimed General Reinsurance's proportion of FM 12m.

Mr Justice Staughton refused the declaration and gave judgment for Fennia on the counterclaim. He held that by the custom or usage of the in*surance market, or by implica*tion of a term necessary to give the transaction business efficacy, there was an option of rescission as against an underwriter up to the time when a slip was fully subscribed; and that Fennia had validly exercised that option.

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Where insurance risk was not covered by one insurer, and the slip method of participation was used, the total cover resulted from the conclusion of individual contracts made with various underwriters.

If a claim arose, the legal position was that the insured or reinsured could only claim against the individual underwriters to the extent of the proportion they had underwritten.

In placing the cover in that way the completion of the slip might well take days or weeks. In the great majority of cases, *the first line, written* by the leading underwriter, would be followed by the remainder writing different proportions on identical terms and at the same rate of premium until the 100 per cent subscription was achieved.

Each line written on a slip gave rise to a binding contract on the part of the underwriter, as between him and the insured or reinsured, to the extent of his proportion of the cover.

The crucial issue was whether the insured or reinsured was bound to the same extent as the underwriter, or whether, as Mr Justice Staughton accepted, he had an option to rescind the contract until the slip was fully subscribed 100 per cent.

Fennia contended that until that time there remained a continuing option to rescind all *contracts resulting from lines* written on a partially completed slip. That result was said to flow either from the implication of a term necessary to give business efficacy to the contract, or from a binding usage or practice in the insurance market.

In the case of an original slip, if the loss was partially covered *by a line, an insured would* have no interest in exercising an option of rescission. He would hold the subscriber to the contract even though intervention of a loss might prevent completion of the slip on the same terms. In such cases no question of exercising any option to rescind was ever likely to arise.

However, in the case of uncompleted endorsement slips, the position would be different according to whether the amending line increased or decreased the extent of the cover.

In such cases, if the alleged option existed, the position of the insured or reinsured would be "heads I win, tails you lose." If the cover were increased, he would hold the underwriter to his line; but if it were decreased, as in the present case, he would seek to exercise the option.

The relevant law on the issue was clear: "Every usage . . . in respect of a particular . . . occupation . . . must be notorious, certain and reasonable" *(See Halsbury's Laws of England 4th ed para 450).*

A "usage" was the technical term for a custom or practice which was imported into any transaction as a matter of binding obligation.

The evidence did not go anywhere near establishing a binding custom entitling an insured or reinsured, as of right and at his unfettered option, to cancel the contract resulting from the writing of a line on an original slip which was immediately binding on the underwriter.

There was no evidence whatever to suggest the existence of any such custom in relation to endorsement slips, let alone after the occurrence of a loss, which, depending on the terms of the slip, would place the insured or reinsured in the "heads I win, tails you lose" position.

Accordingly, Mr Justice Staughton's conclusions concerning the allegation of a binding custom could not be accepted.

Also, it was impossible to conclude that an unfettered option of cancellation arose by implication of law as a matter of necessary business efficacy.

Any such implication would be unnecessary, since it was always open to a broker wishing to test the market without commitment to do so by circulating a "quotation *slip.*"

In the case of endorsement slips the implication of an option by which the insured or reinsured could cancel or hold the underwriter to his line in the face of a claim which had arisen in the meantime would be unrecognisable, since one party would be at the mercy of the other.

The appeal must be allowed and Fennia's counterclaim dismissed. Fennia had no right to require cancellation of the line written on the endorsement slip.

*

Lord Justice Oliver and Lord Justice Slade gave concurring judgments.

For Fennia: Michael Harvey, QC, and Jonathan Sumption (Ince & Co.).

For General Reinsurance: J. R. B. Fox-Andrews, QC, and Jeremy Storey (Davies, Arnold & Cooper).

By Rachel Davies
Barrister

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Constraints on new policy

UNEMPLOYMENT in the OECD area is at its highest level since World War II and continues to rise; East-West relations are at a dismally low ebb; the structure of international trade and finance is under acute strain; and a wave of concern over nuclear arms is sweeping the industrial democracies. This familiar (and abbreviated) litany of woe sugegsts that if ever the time was ripe for a major shift in several key areas of Western policy, this is it.

On the face of it the Williamsburg summit which starts in ten days ought to present a fine opportunity to shift policy in a constructive direction. Yet scarcely anyone is optimistic about the outcome. Does this point to a lack of political leadership? Or does the mess that we are in reflect some deeper malaise in the industrialised countries?

Valuable light

No opinion poll could provide an answer to questions such as these. But an international poll carried out by the Louis Harris organisation for the Atlantic Institute and published in the Financial Times on Monday, does cast valuable light on the constraints that public opinion imposes on Western policy and on the readiness of electorates to stomach tough and expensive medicine.

One of the more interesting findings concerns the attitude of Americans to their own structural budget deficit, which is regarded by the rest of the world as one of the root causes of the world's more pressing economic problems. Over the past six months, according to the poll, there has been a huge increase in concern in the U.S. over excesive government spending. Apart from the Netherlands, the United States is the only country in the survey of nine where the fear of inflation has increased over that period.

Yet when it comes to the growing components of the budget—defence—people's feelings are equivocal. Americans are apparently more concerned about the inadequacy of their own defences than anyone else—despite being less concerned at the threat of war than anyone else, and despite being as anxious as everyone else to divert resources from the defence area into social security, health and education. They also appear more discontented with their politicians than people elsewhere. Yet the tension between monetary and fiscal policy under the Reagan Administration, the simultaneous desire for prudent financial housekeeping, more welfare and a bigger defence programme, seems to reflect very accurately the innate conflict in the electorate itself.

As the economic recovery gathers pace, some change in policy will be forced on the United States. Either the debt raised to finance the deficit will be monetised and more inflation will follow; or the high real interest rates that the huge budget deficit helps to foster will cause the recovery to falter. It follows that if President Reagan runs again, he will find it harder to be all things to all men. If the political will to address the deficit is lacking, continuing trouble is inevitable.

That tension is bound to spill over further into transatlantic relations, where the Harris poll reveals an old and familiar difference of perception. Americans regard their economic predicament as a little local difficulty to which solutions are to be found in Washington. By contrast most Europeans see a world economic crisis of a deeper kind which calls for international treatment—presumably also by Washington.

Advantages

This is ironic today. Five years ago when the United States was exporting monetary inflation, it was more easy to understand its partners' complaints. Now that it is exporting demand through its trade deficit (along with high interest rates) U.S. parochialism has some positive advantages for Europe.

In general, people seem aware that tough policies have left major problems unsolved, as is apparent in election results in Western Europe over the past three years. The swing has not been right or left, but simply against those in office. This underlines the extraordinary nature of the present election in Britain. By any standard Mrs Thatcher has been tough, and is still offering the most expensive defence policy the toughest fiscal policy and, by international standards, a relatively liberal trade policy.

Mr Foot, on the other hand, offers a programme including some of the elements that the Harris poll suggests have widest appeal, with its stress on disarmament, unemployment and import controls. Yet British voters, faced with the same baffling problems as others, appear readier to trust in political will power tested in the Falklands than yet another set of technical solutions. And the respect for political will is confirmed in a rather different way by the recent poll which suggested that a Labour party headed by the notably tough Mr Healey would command far more support than the party under Mr Foot.

Moderation in farm prices

IN ITS relative moderation, the farm price package adopted yesterday in Brussels by the European Community's agriculture ministers is a victory for prudent common sense. With luck, it may even signal the beginning of a change of direction for the common agricultural policy, long criticised for its profligacy. But there is a long way yet to go before anyone can assume that the Community is firmly set on the path of reforming a policy which spends too much money on unsaleable surpluses.

The average price increase of 4.2 per cent is one of the lowest in recent years, and less than half the 10.5 per cent awarded in 1982. This is in part a testimony to the obstinacy of Mr Peter Walker, who opposed any greater increase, and to the unexpected courage of the Commission in refusing to succumb to the vociferous demands of the farming lobby.

Moot point

Whether it is wise for the Community to rely on this kind of financial sleight-of-hand as a way of preserving the illusion of common prices while at the same time handing out differential price increases, is a moot point. The best that can be said is that, on this occasion, it helped ensure an average increase significantly below the average rate of inflation in the Community.

More significant, and perhaps more encouraging for the longer term, is the introduction of clear price penalties for products in structural surplus, like milk and almost all cereals. In principle, the Community has now established fixed quantitative ceilings for these products; the more actual production exceeds these ceilings, the lower the prices to be paid to the farmers.

Such a system has the virtue of simplicity: it does not attempt to differentiate between the various national contributions to the overall Community surpluses. But it has the corresponding drawback that, as a method of curbing surplus production, it is crude and slow. It may be taken as signal of a new approach to a problem which has long dogged the Community. Given the inbuilt potential for substantial improvements in productivity, it may have to be applied consistently for several, perhaps many, years before it produces results.

But even signals have their virtue. When the Community and the U.S. are exchanging mutual recriminations over their respective farm policies in what could still turn into a trade war, it can only be helpful, in advance of the economic summit at Williamsburg at the end of this month, for the Europeans to be taking steps designed to hold down the growth of Community farm surpluses.

Internal reasons

But the underlying reasons for prudence are internal, and as structural as the surpluses themselves. Partly because of last year's large price award, the Community's farm spending is currently running some 35 per cent over budget. In the near future the Council of Ministers will have to confront the necessity for a supplementary budget for 1983

The Commission's recipe for evading the consequences of a farm policy tailor-made for overproduction, is to call for an increase in the budget above the permitted ceiling, while loading the extra costs disproportionately on the rich countries and those with large farm sectors.

It would be better to let the financial squeeze exert its own pressure for reform of farm expenditure.

EEC AGRICULTURE AGREEMENT

The Ministers exit smiling

By Larry Klinger in Brussels

"THE ministers are now on the last scene of the last act. It is all running true to form."

Thus spoke a bleary-eyed veteran observer of the EEC's annual fixing of agricultural farm prices as he emerged from the Council of Agricultural Ministers at 4 am yesterday morning after a marathon session of negotiations.

Yet in one vital respect the traditional EEC agricultural wrangling sessions, leading to yesterday's agreement, were different this year: the EEC Commission could claim an unprecedented victory in that its proposals were accepted by ministers without significant change.

The reasons are not hard to find. The Community is facing a potentially disastrous financial crisis because of mounting expenditure on the disposal of its growing farm surpluses. The Ministers were fully aware that there was little or no room for them to add their customary one or two percentage points to the Commission's proposals.

It was becoming clear as long as two months ago that a consensus was already being formed around the European Commission's original December proposals for a "modest" average common price rise for 1983-84 of marginally over 4 per cent, which translated into national currencies, is expected to result in the lowest average increase in 10 years.

Nevertheless, Ministers still faced a difficult time in achieving a compromise politically acceptable in their various capitals using what manoeuvring space was available.

In the end they found a compromise on prices that virtually every one of them could declare was "very satisfactory"—even though it is far below the claims of the Community's farmers. At the same time, they institutionalised a Commission-backed scheme to penalise past overproduction by awarding a production by cutting the proposed price rise for certain surplus products.

Election campaign ammunition for UK Government

The British Government took home important election campaign ammunition by successfully leading the opposition to any significant boost in the common price rise originally proposed, thereby curtailing possible British payments to the EEC budget.

West Germany—with the help of British agrement to a revaluation of the European currency unit to take account of sterling's recent appreciation—was able to get more than a token price rise. At the same time it conceded to French and Italian demands for a reduction in its "green Deutsche mark" levies on farm imports and subsidies on exports.

France was able to achieve its main aim of keeping price levels expressed in Francs in line with inflation. It was confident that this, along with the "green currency" changes affecting West Germany, would put an end to the growing and increasingly violent demonstrations by its farmers against agricultural imports.

Even Italy, whose Government is also fighting an election campaign, and was demanding a £140m special aid package for interest-rate subsidies, settled for only £60m. But it was able to claim an "important advance" in winning Council approval for a new aid arrangement designed specifically to help a high-inflation nation.

All the principals were also able to claim that Europe had acted collectively and responsibly to counter charges especially from the U.S., that the EEC appears incapable of even considering curtailing its subsidies for agricultural exports—despite the depressed state of world markets.

Mr Poul Dalsager, the Farm Commissioner, said yesterday that the Council's decision could be expected to improve EEC relations with the U.S. when the two sides resume their agricultural trade talks next month.

Critics may say, with some justification, that the ministers had little choice in their decisions, given the EEC's financial straits, its rising surplus production, the deterioration in relations with other agricultural exporters, and the fact that Community farmers have recently enjoyed substantial rises in real income at a time of widespread recession.

The Commission will soon propose a supplementary 1983 budget of between £900m and £1.2bn to cover increased farm support spending. Officials last night confirmed that, despite the "modest" price rise, EEC farm spending could overrun even more substantially next year. The Commission is proposing a £9.9bn agricultural budget for 1984, and officials are already forecasting that £1.02bn could be needed, without any further deterioration in world markets and without taking into account any provision for 1984-85 farm price rises.

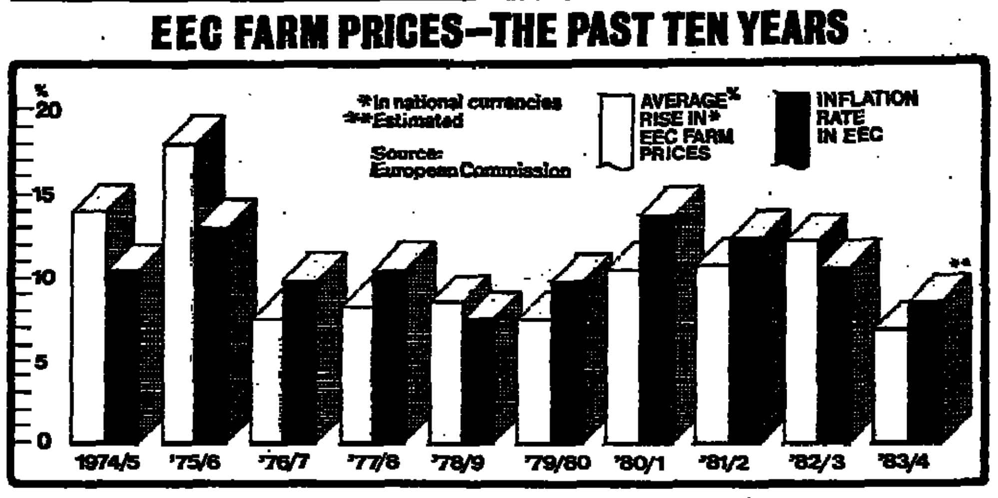
Nevertheless, in another significant move the Council has sent producers of surplus milk and cereals a strong "signal" that it may be prepared to clamp down on overproduction in future by vigorously using cumulative threshold penalties against surplus produce.

A strong 'signal' to producers of surpluses

In the past, farmers have tended to maintain their income levels by simply raising production, thereby increasing EEC export subsidies to dispose of surplus output.

The question now is whether the ministers will be able to maintain their prudent approach to the farmers if the EEC's finances improve next year.

EEC FARM PRICES—THE PAST TEN YEARS



Dane Wilson

HOW EACH COUNTRY WILL FARE

	Average % rise in farm prices*	Current % inflation	Impact % on food prices†
Germany	2.0	3.9	0.8
France	9.4	10.3	3.3
Italy	8.8	15.0	3.7
Netherlands	2.6	1.7	1.1
Belgium	7.7	6.6	3.0
Luxembourg	7.2	8.8	2.4
UK	4.1	5.8	1.4
Ireland	9.0	12.5	5.0
Denmark	4.7	7.7	1.2
Greece‡	25.8	20.9	12.9
EEC	6.9	8.4	2.8

* In national currencies taking account of all agri-monetary or "green currency" adjustments adopted since last year's price-fixinfi

† Estimated maximum on food prices and total household spending expressed in national currencies.

‡ Including alignment of Greek prices on EEC common prices following on to the arrangements decided when it joined the EEC.

Source: European Commission

French unrest: the Government on a tightrope

By David Marsh in Paris

THE EEC farm price accord is likely ot bring at best only a fragile peace to French agricultural regions, which for a month have been the scene of violent farmers' demonstrations against unfavourable prices and mounting imports from neighbouring countries.

M Michel Rocard, the Agriculture Minister, who has wasted no time in efforts to charm the French farming community since he took over the job at the end of March, said yesterday that the price rise was "insufficient" but at the same time not too far from France's maximum aspirations.

Both the Government and the farmers have won at least a partial victory by achieving a reduction in the notorious Monetary Compensation Amounts. By placing a tax on agricultural exports and subsidising imports, MCAs have become the farmers' main *bete noire* in recent months.

At the same time, the Brusels compromise will avoid too great a strain on the French anti-inflation policy masterminded by M Jacques Delors, the Finance Minister. M Rocard claimed yesterday that the 4 per cent rise in farm prices in terms of European Currency Units, together with the MCA changes, would translate to an overall French farm price rise of 8 per cent this year. This is exactly in line with the inflation target—although according to other estimates, the overall result will boost French farm prices by closer to 9 or 10 per cent.

Whether this will be enough to stem the farmers' unrest is still however an open question. French farmers, according to figures just published with a flourish by the Government, boosted their incomes by 9 per cent in real terms last year. But disparities abound (the large 1982 rise was mainly due to the excellent wine harvest and, overall, farmers are still earning less than in 1973 on average.

The Government is walking a tight-rope. It is trying to limit agricultural incomes to tie in with the overall austerity policy. But at the same time it is urging and financing farm expansion (even in some areas where Europe already has ample surpluses and where world markets are depressed) to prevent productivity improvements leading to higher unemployment in country areas.

The Government is obviously keen to dampen the unrest. This is both because it gives an unpleasant image abroad of heavy-handed protectionism—M Rocard yesterday apologised to those European partners who have been on the receiving end of blockades and disruption—and also because it has coincided with the recent wave of directly anti-Government student demonstrations.

The national farmers' union, the generally right wing FNSEA, has been fighting a running battle with the Socialists since President Mitterrand came to power two years ago, mainly for ideological reasons. But the seeds of the unrest are not political but economic.

Some of the Breton farmers who have been most voluble in their protests are not the traditionally backward peasants of yore. They are young would-be entrepreneurs who have taken out expensive loans to build up mechanised farming but have been hit by an influx of pork products from Germany and the Netherlands or a big fall in French chicken sales to Saudi Arabia or Iraq.

The FNSEA yesterday termed the accord simply a "patching up" exercise. M Francois Guillaume, the FNSEA leader, who was on particularly hostile terms with M Rocard's predecessor, Mme Edith Cresson she once called him a fascist; he complained about his telephone being tapped by the Government), has welcomed the arrival of M Rocard, who, as the opinion polls keep reminding President Mitterrand, is the most popular politician in the country.

Yet the warmth clearly has its limits. M Guillaume warned yesterday that the Brussels accord failed to make up for lost farmers' income caused by the delay in implementation since the EEC farm year starts on April 1.

M Guillaume and the other farm organisations—particularly the young farmers' federation—are playing for high stakes.

France's population of just under 2m farmers—about 8 per cent of the working population—has always been ready to take to the streets to defend its interests. The recent demonstrations have been less violent than in the past but protests have nonetheless been very widespread.

Following sporadic upheaval around the country at the weekend, farmers on Monday gave the Brussels talks a spectacular build-up by practically cutting off traffic into France across the Belgian and West German borders.

In the interior of the country, too, tractors have been banked up as barricades, and lorries carrying foreign agricultural produce have been systematically stopped on roads and had theoir contents diverted or even destroyed.

The springtime turbulence has been particularly marked in Brittany, which accounts for a large share of France's farm exports but has been hit this year by declining markets for milk, pork and chicken. Showing th globael nature of the protests, on Monday alone however, farmers went into action against mutton imports from Britain on the Shannel coast, fruit and vegetables from Spain in the south-west and Italian wine on the Mosel.

An uneasy truce may now be in store as the farmers ponder the effect on their bank balances of the new prices. One of the difficulties remarked upon by farmers' leaders, however, has been the sheer problem, in France's highly fragmented agricultural community, of keeping members on the commonline.

Meanwhile the Government is trying to grapple with another agricultural headache which has nothingf to do with MCA's. Farmers from north-east France near Chaumont are asking for their region to be proclaimed a disaster area—because of damage to crops caused by incessant rain.

Men & Matters

After Harry

Who comes after Harry? Since 1981, when Al Haig resigned as president of United Technologies to become U.S. Secretary of State, there has been lively speculation about who will eventually take over from Harry Gray, the 63-year-old chairman and builder of the giant U.S. aerospace, electronics and building systems group. Now, we have a clue.

Peter Scott, the 55-year-old executive vice-president in charge of the electronics business, has resigned suddenly to pursue those "other interests" which seem to be so fascinating to some senior business executives. And Gray, who had been planning to remain as president as well as chairman until the end of this year, has instead handed the president's job over to Robert Carlson, the 53-year-old executive responsible for Pratt and Whitney and the group's other power businesses.

Carlson only joined UT in 1979, after spending 29 years with Deere and Company, the leading agricultural equipment group. At Pratt and Whitney, he played a big part in bringing together the multi-national consortium which is working on a new jet engine to power the 150-seat aircraft of the future. As he once said, "Competition is wonderful, but masochistic industrial self destruction is quite another thing . . . and this industry may be poising itself to do just that if it convinces itself the 150-seat chocolate cake provides adequate sustenance for all."

Under the existing board rules, Gray is due to retire at the end of 1984—unless he is expressly asked to stay on by his fellow directors. So the game may not be over yet.

"What's all the fuss about burning English lamb? You usually complain that we undercook it"

Gamesmanship

Kirkstall Road may not be an address familiar to Monopoly enthusiasts. But John Waddington, the firm that makes the popular board game, is suddenly taking a very close interest in a company at that address.

It is Norton and Wright, the lottery ticket printer, which is in the process of changing its name to Norton Opax. Yesterday Norton and Wright announced plans for a £9.1m bid for Waddington.

Both companies are in Leeds, only two or three miles apart. But Waddington's company secretary, Peter Stephens, says he knows little about the unwelcome suitors.

An unimpressive trading performance from Waddington has seen it move towards the Old Kent Road end of the corporate monopoly board. While Norton, under its dynamic chief executive, Richard Hanwell, has been expanding rapidly and seems to be heading for the expensive side of the game.

Waddington has yet to work out its defence. But one way of preventing Norton from passing "Go" and collecting its £200 could be an appeal to the Monopolies Commission.

Search on

The Government has cast a wide net in its efforts to find the successor to Sir Peter Parker as chairman of British Rail.

In spite of recent rumours that Bob Reid, aged 62, BR's chief executive, had been promised the job, Korn Ferry, management search consultants, have now been retained by the Department of Transport to scan the horizons for suitable candidates.

The use of consultants does not necessarily rule out an internal candidate. Reid, who joined the railways from university in 1947, is still the favourite inside the BR senior management team.

But informal meetings between ministers and outside candidates have been held—including one or two politicians made redundant by the constituency boundary changes.

Joel Barnett, chief secretary to the Treasury in the last Labour government, chairman of the Public Accounts Committee in the last Parliament, and an accountant well versed in the financial disciplines which Mrs Thatcher wants to see rigorously employed at BR, is the most interesting among the names said to have been approached.

No appointment will be made, of course, until after the election

Although the Thatcher government has ruled out extreme options for cutting back the rail network contained in the Serpell report, a new Conservative government would not be likely to usher in the golden age of rail which the Labour Party manifesto is promising.

Meanwhile Parker, aged 58, who leaves the £61,000 a year post in September, has been confirmed as chairman of Metropolitan Radio which is seeking a franchise to challenge the independent Capital Radio in London.

The company only becomes active, however, if it gets the franchise. Parker almost certainly has other irons in the fire.

Private lives

Mrs Thatcher's determination to miss no opportunity to boost private enterprise is reflected in the travel arrangements for her crowded election tour—which will take her from Cornwall to Scotland in the course of the next three weeks.

The Conservative party is chartering a 100-seat BAC 1-11 from British Island Airways, one of Britain's smaller independent airline operators. It will carry the prime minister and her party together with a group of journalists assigned to her.

Coaches to complete the journeys by road to locations for speeches and walkabouts will be from the private sector as well. They will be supplied by Wallace Arnold. One of them is to be equipped as Mrs Thatcher's travelling office.

What Minister?

The effectiveness of the Conservative Party central office security arrangements was thoroughly tested yesterday to the discomfiture of the trade secretary Lord Cockfield.

He spent 15 minutes trying to get beyond the reception desk.

After being shuffled from one official to another he finally managed to convince his interrogators that he was indeed a minister, and a member of the Cabinet, summoned to attend a top-level campaign briefing.

Observer

Yasuhiro Nakasone

Japan's new-look leader

By Charles Smith, Far East Editor, in Tokyo

PARTICIPANTS in this month's seven-nation economic summit, who are used to finding their Japanese colleague a shy and inarticulate figure, with no very definite opinions on any of the items on the agenda, may be surprised when they meet the new Japanese Prime Minister, Mr Yasuhiro Nakasone.

Mr Nakasone is an emphatically Western-style leader with a strong public personality, a habit of talking a little too explicitly about some of the problems facing his Government, and a quite un-Japanese preoccupation with defence. He is likely to get on extremely well with all six Western leaders at Williamsburg, but they would be rash to assume that the new look in Japanese Prime Ministers represented by Mr Nakasone corresponds to a similar change in Japan.

Many of Mr Nakasone's bolder sallies in the fields of defence and foreign policy seem to have left his countrymen unimpressed if not actively hostile during the six months in which he has been attempting to guide Japan towards a more active role in world affairs. At best they have served to suggest—as the following series of questions and answers indicate—that Mr Nakasone may be a good deal too far ahead of the country he has been attempting to lead.

What is it about Mr Nakasone that distances him from the rest of Japan's conservative political establishment?

Principally the fact that he is not, and has never been, leader of one of the so-called "mainstream" factions of the ruling Liberal Democratic Party. Mr Nakasone's personal following within the LDP has been regarded for years as being on the fringe of the party—unlike the groups headed by the three men who preceded him in the premiership, Messrs Fukuda, Ohira and Suzuki.

It includes a larger number of politicians with distinctly nationalist leanings than the more middle of the road "mainstream" factions. Mr Nakasone himself is probably less far to the right than many of his immediate supporters but his style of politics reflects the general "tone" of his faction to a considerable extent.

Why should this particular group of people have managed to get their leader into the top job in the ruling party if other party factions are so much more powerful?

The reasons are mainly negative. The "mainstream" LDP faction which was originally headed by Mr Masayoshi Ohira, and which passed from his hands to those of Mr Zenko Suzuki after Ohira's death in 1980, had had two bites at the leadership immediately before last autumn's leadership crisis (in which Mr Suzuki unexpectedly stood down). Another big "mainstream" faction, headed by former Premier Kakuei Tanaka, was out of the running so far as leadership of the party was concerned because of Mr Tanaka's embarrassing role as the chief defendant in the long running Lockheed bribery case.

Mr Nakasone thus emerged by default as the only man who was (a) in firm control of a major faction and (b) was not disqualified for the party leadership by some special circumstance. He was the natural choice for the party presidency and won easily in the leadership election of November 1982. This did not—and does not—necessarily mean that he has a firm power base within the ruling party.

If his power base is so weak how does it come about that Mr Nakasone has been such an active Prime Minister?

The answer is that he has been active *because* of rather,

> He has been active because of, rather than in spite of, his weakness

than in spite of, his weakness in the party. Most LDP faction leaders who make it to the top in Japanese politics begin their terms as Prime Minister by consolidating their power base. This means, in practice, avoiding difficult decisions and constructing carefully balanced cabinets in which seats are allocated, not to the most competent individuals available, but to those with the strongest claims on the new prime minister's favour.

Mr Nakasone chose to do the exact opposite. His Cabinet ignored the conventional "balancing act" between factions (giving an extremely large number of seats to the Tanaka faction) and was put together, according to party insiders, without any of the prior consultations between the Prime Minister and party elder statesmen that are normal in Japanese politics.

Having gone about the business of cabinet making in a highly unorthodox fashion Mr Nakasone then proceeded to follow the even more unusual course of making policy deci-

> Japan should become an "unsinkable aircraft-carrier"

sions without waiting for the emergence of a party consensus.

Within a month or so of taking over as premier Mr Nakasone ordered Japan's Finance Ministry to use a discretionary fund which is normally held in reserve for emergencies as the means of jacking up the country's planned 1983 defence spending. He then proceeded briskly to sanction a long standing American request for a two-way exchange of military technology with Japan—despite the fact that at least one of the Ministries involved held that this would violate existing Japanese rules on arms exports.

But the key moment in Mr Nakasone's emergence as an "activist" prime minister occurred during a visit to Washington in January. In the course of the visit he told journalists of his belief that Japan should become an "unsinkable aircraft carrier" dedicated to inhibiting military activity by the Soviet Union in any war with the U.S.

In the same visit the new prime minister made the (in the Japanese eyes highly controversial) promise that Japanese defence forces would be ready to blockade four international straits dividing the Japan Sea from the Pacific Ocean.

Has Nakasone got away with his strategy of "going at" problems rather than working his way around them?

The only safe answer is that it is still too early to say. Nakasone's popularity (as measured by newspaper public opinion polls) plunged more rapidly during his first three months in office than that of any other Japanese Prime Minister who *has held office since the war.* He seems, on the other hand, to have won increasing favour with the business community (to whom he was a virtual stranger last November).

Reactions to the Nakasone style within the ruling party *seem to have been mixed* and could yet turn out to be negative, but on one important issue the new Prime Minister has probably scored something of a triumph.

During March and April Mr Nakasone gradually made it *clear that he would not* surrender to pressures from the huge Tanaka faction for the early dissolution of the Japanese diet in advance of this autumn's verdict on the Lockheed bribery case. By not giving in to the Tanaka faction on the election issue the Prime Minister refuted claims that he was simply a Tanaka "dummy" and began to look much more like a leader in his own right.

What are the personal qualities that have enabled Nakasone to buck so many

> External relations are already benefiting from the Nakasone phenomenon

traditions in Japanese politics?

Quality number one would seem to be a natural liking for words that distinguishes him from the vast majority of Japanese politicians. Mr Nakasone has been described as the only Japanese leader who speaks in complete sentences—but also as a man who places his own position in danger by too much straight talking. Quality number two is a tendency to see politics overwhelmingly in terms of issues rather than personalities.

Mr Nakasone: an emphatically Western-style leader.

Nakasone entered Japanese politics immediately after the war (after serving as an officer in the Imperial Navy) with what he has described as a "mission" to restore Japan's self-respect after the humiliation of defeat. He seems never to have quite lost sight of this original vision although events have certainly forced him to modify it.

Close associates describe him as a covert Gaullist whose ideal is a strongly armed, neutral Japan but who has come to recognise the importance of the U.S. defence relationship. Mr Nakasone's recent utterances about defence have continued to stress the need for "independence."

Will Nakasone's capacity for making friends help him solve some of Japan's problems with other nations?

To some extent Japan's *external relations are already* benefiting from the Nakasone phenomenon. The Prime Minister's trip to South East Asia in April and early May was highly successful.

In Washington Mr Nakasone apparently succeeded in projecting himself as a "can do" leader who would get to grips seriously with issues such as trade and defence. The trouble now is that Mr Nakasone has to start fulfilling some of the expectations he has created.

He is unlikely to be able to increase Japan's defence expenditure in 1984 as much as the U.S. might wish and he appears to have no simple answer to his country's ballooning trade surplus (expected to reach $30bn in the current fiscal year).

If Mr Nakasone offers nothing but encouraging words and dramatic gestures the enthusiastic press he has so far received outside Japan could turn hostile and the doubts about his performance inside the country could begin to undermine his standing inside the LDP.

Lombard

An experiment in employment

By Michael Dixon

ALTHOUGH they found time to have a son 16 years ago Michael and Margaret Doubleday might well be the hardest working couple ever. He is a top Inland Revenue official who goes out early and returns late, often bringing work home. She is equally occupied by her own accountancy practice specialising in tax problems.

They see little of each other, not least because professional decorum requires them to keep their respective work private. But in another way they are mutually dependent. The harder he labours the harder she must, and vice versa. For each is paid at once to make work for the other and to undo the work the other has done. Given strength they could keep themselves busy not just through the double day but for all eternity.

Their possessions are envied throughout their smart neighbourhood. But their son Buster is a problem. Sent to boarding-school as a small child, he ran away. He has since gone to day-schools and been catered for in the mornings, evenings and most holidays by a string of barely English-speaking au-pairs. Unknown to his parents, he satisfies his need for expression by vandalising telephone boxes. What the family produces, therefore, is net harm.

In the totally malignant strain afflicting Michael, Margaret and Buster, Doubledays' Disease is, of course, rarely if ever encountered. But milder strains seem to have spread fairly widely through society.

Take, for example, the managers studied by Derek Torrington and Jane Weightman of the Henley business school. Before the objects of the study were promoted to middle management, they worked as technical experts of one sort or another. Indeed, despite their promotion, they still thought their main worth to their employers was in applying their technical skills or in using them to support the efforts of their staff.

They rarely did either, being preoccupied with meetings, telephone calls and correspondence with fellow-managers and with supplying their demands for statistics and the like. They resented it. But the Henley study found that they, too, were equally imposing superfluous work on their colleagues.

Perhaps one of them was married to the secretary questioned recently in an inquiry by the Alfred Marks Bureau into the difficulties of adapting to new office technology. "The biggest problem I have come across," *she replied,* "is managers."

A separate strain of Doubledays' Disease seems to affect even the unemployed. At first the symptoms are similar: a feverish anxiety to be re-employed. But if not allayed, it tends to give way to a torpor accompanied by feelings of general worthlessness.

This particular strain has been examined extensively by three competing laboratories. Two are headed respectively by a different Margaret and Michael, and the third by Dr Jenkins-Steel. Although at odds over the treatment required, all seem to agree that the cause of the evil is an insufficient supply of employment.

But other, admittedly less high-powered study suggests the different diagnosis that a part-cause of the entire disease might be surplus demand for employment. The social organism seems to be severing the link between the production and distribution of its wealth. As technological advances have made employment less necessary for the producing activities, so it has become more necessary to people requiring a satisfactory share in the distribution.

If so, it might be worth trying *an experiment* to stitch the distribution firmly back to work that is evidently productive, which need not be conventional employment. For instance, the state might encourage one parent of a family—it would not matter which—to concentrate on rearing the children, keeping the property in good order and so on.

The experiment would no doubt be opposed by the Doubledays and possibly, given his state of disaffection, also by young Buster. But others might welcome it, and not only people needing to use public telephones.

Letters to the Editor

Last-ditch attempts to sink the frigates

From Mr D. Giles

Sir,—Mr Fishlock's article (May 13) on the Type 23 frigate does little credit to his powers of journalism and casts serious doubt upon the integrity and independence of the hull committee of the Ministry of Defence's defence scientific advisory council.

Although I have no wish to engage in a "Punch and Judy" battle with either Yarrow (or British) Shipbuilders—or with Mr Fishlock—I must point out that the article was written in complete ignorance of almost every significant design feature of the S90.

Concerning my paper, presented to the hull committee on March 10 last, it needs to be said that I was invited to speak on the "Design philosophy of the S90" and on the expressed understanding that the project was at a rudimentary stage; and on terms of the strictest confidence.

Since reading the article, I have spoken to Mr Oliver, the DSAC secretary, and—contrary to Mr Fishlock's allegation—he assures me that no "report" on our meeting has yet been produced, *nor* have I yet seen one. He also pointed out that, considering the highly confidential nature of many of the projects evaluated, all members of the committee are sworn to secrecy. Therefore any member who leaked information to Mr Fishlock was in breach of the terms of his engagement.

At the time I was well aware *that not only* is the chairman the chief naval architect of British Shipbuilders, but also that several members of the committee are from the Royal Corps of Naval Constructors—or from rival firms of naval architects—and their opposition *to our design ideas is well* recorded. Such, however, is the importance of the current reappraisal of warship design following the Falklands conflict, that I was prepared at their invitation to discuss our ideas on a preliminary basis. After all, as is well known, British Shipbuilders has conducted a series of tests on our design family and has admitted breach of copyright in respect of our Osprey design.

Therefore I am shocked that any member should abuse his position by leaking the proceedings of a confidential committee to a journalist. I am even more shocked that the journalist should use such information without reference to the target of such abuse; and I am the most shocked that you, Sir, should publish it.

Our budget for the S90 project *so far* is under £200,000, most of which has come from private enterprise sources with the assistance of a 33⅓ per cent research grant from the Department of Industry. Unlike British Shipbuilders, we have not had the benefit of a project definition contract worth some £1.5m from public funds; and it is, therefore, hardly surprising that we have not yet reached the same level of detailed design—although this in no way diminishes the value of our design principles, if they are finally proven.

Indeed, it is to obtain the same level of funding as British Shipbuilders, that we are presenting the results of our research programme to the Ministry of Defence for its, hopefully, unbiased consideration. I can also say with confidence that this will not delay the Navy's new class of frigate, if the S90 is finally selected.

Far from the S90 being, as Mr Fishlock says, "a last ditch attempt to overturn the Government's plans to order a new fleet of frigates," the article is better evidence of a last ditch effort by the traditionalists to prevent the "fair and unbiased" hearing of the S90 arguments which the Government, in its wisdom, has demanded.

David Laurent Giles,
Thorneycroft, Giles and Associates,
24, Seymour Road, SW18.

Consequences of a sugar surplus

From the Chairman, Industry and Employment Committee, Greater London Council

Sir,—"Consequences of sugar surplus" (Leader May 9) exposes very effectively the causes of the current crises in the world sugar market. In placing the blame clearly at the door of the EEC sugar regime you reach the same conclusions as a major study recently completed by Greater London Council's *economic policy group.*

One element of the situation which you did not mention is the manner in which the sugar regime discriminates against the cane refiner, Tate and Lyle, and in favour of the beet refiner, British Sugar Corporation. The result of this has been that cane sugar has been marginalised in the EEC market, leading to the loss of two-thirds of Tate and Lyle's refineries and over 3,500 jobs during the last 10 years. The last significant cane refining capacity in the UK is situated at Silvertown in east London, where 2,600 jobs are now under threat unless there is a radical reform of the sugar regime.

Our involvement in the issue of sugar arose out of an approach from the shop stewards committee at the Silvertown refinery. We welcomed the opportunity to work with trade unionists to protect jobs in London as part of our overall commitment to aiding trade union and community groups. A closure of the refinery would represent an economic and social disaster for an area already devastated by the closure of the docks and other industries and the GLC will fully *support the Tate and Lyle* workers against any threat to their jobs.

(Councillor) Michael Ward.
County Hall, SE1

A more complex balance sheet

From Mr H. Cole

Sir, — Mr Cassidy (May 13), having calculated the cost to employers of higher rates resulting from the reduction of fares *within the GLC area, omits* consideration of the extent to which lower fares will reduce pressure from employees for higher pay to compensate for travel costs.

Cost savings under this head may very well greatly exceed the direct increase in rates. Similar considerations also apply to commercial enterprises, from shops to cinemas, theatres and restaurants, whose prospects of drawing extra custom are likely to be improved more than proportionately to the increase in the rate bills.

Mr Cassidy also ignores the substantial reduction in travel and congestion costs that may be expected to accrue to those *travelling* in central London. The ending of the previous "fares fair" system produced an increase in motorised traffic of 14 per cent for cars and 35 per cent for motorcycles, at an estimated cost of about £40m pa, and with a rise of 3,700 in the number of annual road casualties.

The balance-sheet has more entries on it than Mr Cassidy allows for — particularly as rates are an allowable expense against business profits in any event.

Harvey R. Cole.
9, Clifton Road, Winchester.

Falling unemployment and inflation

From the Economics Partner, L. Messel & Co.

Sir,—Samuel Brittan's stimulating and thought-provoking article on "Inflation: make haste slowly" (May 12) suffers from *a serious analytical mistake.* Mr Brittan states quite clearly that he believes the present level of unemployment to be above that at which inflation would be stable in the long run. It follows that there is excess supply in the labour market and continuous downward pressure on inflation. Technically, he draws a diagram with point y to the right of the curve representing the long-run unemployment-inflation trade-off. As long as unemployment remains to the right of the curve the rate of inflation will decelerate. This should be shown on the diagram by a progressive movement downwards and to the left of the short-run trade-offs as inflation expectations are modified by the experience of falling inflation.

In other words, we may see unemployment declining from the current level and at the same time enjoy lower inflation. The combination of falling unemployment and falling inflation is possible because the economy starts from a position *to the right of the curve for the* long-run trade-off or, more frankly, because the cost of inflation control until now has been so appallingly high.

The best way of ensuring that such costs are not incurred in future is to persuade people *that policy to restore* price stability will be firm and consistent. In that way inflation expectations will continue to moderate. Mr Brittan's remarks about the relative merits of 3, 4 and 5 per cent annual rates of price increase will tend to *perpetuate inflation* expectations. They will effect public opinion to some extent and, by worsening the short-run inflation-unemployment trade-off, complicate the Government's task in re-establishing a sound currency.

Tim Congdon.
P.O. Box 521,
100, Old Broad Street, EC2

British Steel output

From Dr Jeremy Bray

Sir,—In my letter of May 16 I referred to the British Steel Corporation steel output increase of 46 per cent in the first quarter of 1982 on the previous quarter. This should have read 1983.

(Dr) Jeremy Bray.
29a, Colquhoun Street,
Helensburgh, Dunbartonshire.

Combined heat and power

From the Chairman, District Heating Association

Sir,—Mr Diamond's letter (May 7) contains the essence of views on the topic of combined heat and power which are not based on any sound analysis, but which are quite widely held.

Mr Burchnall (May 13) is right: efficiency is not a satisfactory measure for evaluating the production of electricity and heat from a fuel. Electricity is a high value product needing 2.8 units of fuel to produce it, whereas heat needs only 1.2 units.

The great advantage of combined heat and power is not its efficiency, which may be higher or lower than a small boiler, but that more heat and more electricity can be produced from the same amount of fuel with joint production of heat and power than with separate heat and power.

In Richard Johns diagram (April 28), 200 units of fuel are shown to produce 35 units of electricity, 80 units of heat and 85 units of waste for a separate heat and power system, and 56 units of electricity, 104 units of heat and 40 units of waste for combined heat and power, a clear advantage of 21 units of electricity and 24 units of heat. It is the large schemes which produce the cheapest heat for consumers.

To put figures to Mr Diamond's contention that a gas turbine with heat recovery is worthy of examination if fuel costs only are taken as a first approximation with electricity valued at the average price the Central Electricity Generating Board sells its units to area boards, then a gas turbine plant could produce heat at around 19p per therm, whereas the coal-based schemes proposed for the lead cities would produce heat at a negative cost of −9p per therm, and a gas boiler would produce heat at 35p per therm on the same basis.

It is the potentially low or negative cost of heat from the larger CHP plant that more than justify the running costs, operating costs and capital costs of the heat grids, and still, despite these costs, deliver heat "on tap" cheaper than any *other system.*

Consumers on UK schemes fed by a heat grid when canvassed as part of the Department of Energy work to date, showed a positive reaction to their existing schemes; they liked heat on tap.

W. R. H. Orchard.
Bedford House, Stafford Road,
Caterham, Surrey.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

How to make statistics easier on the eye

The business use of computer graphics is booming. Alan Brew explains why

THE vice-president of finance at PepsiCo, the world's second largest soft drink and snack food company, was thumbing through a magazine when a chart caught his eye. He tore out the page and wrote across it, "Why can't we have charts like these?"

PepsiCo soon got them joining a distinguished list of organisations — from Exxon, AT&T and General Motors across to the likes of the Federal Reserve Bank and the Central Intelligence Agency—which use an Issco computer graphics software package to generate their own high quality charts.

Issco (Integrated Software Systems Corporation of San Diego), the leading independent supplier of computer graphics software, is currently riding a business graphics boom which is already sustaining a $1.5bn computer graphics industry. By 1990 it is expected to reach $18bn.

The largest part of the market has been, and will remain, the industrial application of computer aided design and manufacture (CAD/CAM). But it is business graphics—by which diagrams, bar charts, line charts and pie charts can be generated on a computer screen for output on to paper, slides or transparencies—which is expected to have the greatest growth over the next five years.

The market is rooted in the growing recognition of business graphics as a powerful management tool which can shorten meetings, influence group decisions and make you, the graphics user, look more professional. Or in the words of Alan T. Paller, a director of Issco and probably the most articulate and enthusiastic champion of business graphics, "You too can be a graphics hero."

Good quality charts for publication or group presentation were once an expensive luxury. Now, with an easy-to-use graphics software package a secretary at a computer screen can produce cheap, high quality, multi-coloured, three-dimensional graphs, maps, diagrams and words using non-jargon English commands within a matter of minutes.

They can then be transferred on to paper, slides or transparencies using machines known as graphics output devices for immediate publication or presentation to reveal trends, summarise conditions, identify problems and communicate in a more direct and understandable way than pages of computer printout.

The effectiveness of graphics as a management tool has received solid endorsement from the Wharton School of Business. A six-month research project on business meetings was conducted with masters in business administration candidates assuming the roles of corporate decision makers. They were given the task of making a group decision on whether or not to launch a new light beer "Crystal."

Student presenters playing role of marketing experts gave opposing viewpoints. Regardless of which side they were promoting, those using graphic presentation on overhead projectors won their point 67 per cent of the time and achieved consensus in 28 per cent less time.

Presenters using overheads were also judged to be "significantly better prepared, more professional, more persuasive, more credible and more interesting."

Minnesota Mining and Manufacturing (3M), the diversified U.S. group, is a firm believer. 3M now has more than 1,500 trained users producing almost 4,000 charts a month. More than half are produced as transparencies for overhead presentations.

"Management here recognises the value of overheads for increasing the impact of a presentation and shortening meetings," says Mr Ken Smith, Supervisor of User Support and Education, at 3M's St Paul headquarters, "very few graphics are produced for personal data review. Nearly all our users want the charts or transparencies for presentation."

They are used mainly for corporate planning, financial financial control, sales support, research analysis and training.

The ease with which the charts can be produced and their quality are significant factors in the company's high rate of use. Last year alone, 500 people were trained in an internal programme, the main groups including secretaries, the largest growing user group, managers, profesisonals in marketing and finance, and researchers.

"In the past you either got charts quick and dirty, or had to wait a long time for expensive presentation charts to arrive back grom the graphic artists," says Mr Smith. "Now computer graphics give us good, high quality charts very quickly with the package we use."

3M uses a package called Tell-a-Graf, one if Issco's twin products. Isso, which recently went public and now has a market value of about $33m, rode to success on the strength of Tell-a-Graf and Disspla, its first package, capturing on the way 34 of the top 50 U.S. industrial corporations on the Fortune 500 list.

Business graphics gathered pace in the 1970s with the increasing use of main frame computers by business and industry. As the volume of data became increasingly unmanageable they became "data rich, information poor." Main frame computer graphics packages, such as Disspla, meant that clear, informative pictures could be drawn from the murky data.

Disspla, the result of a research project by two students, appeared commercially in 1970 to meet the more complex and technical demands of experienced programmers in business, science and engineering.

The real breakthrough came with Issco's second package, Tell-a-Graf, the first easy-to-use main frame graphics package. It was developed specifically for people without programming experience and took the capability of high quality computer generated charts out of the hands of the programmers and placed it firmly in the hands of the non-technicians—the managers, clerks and secretaries.

Its arrival in 1977 coincided with two other developments.

1—*Falling* costs. Because of the intense competition taking place in the graphics equipment market, the costs of the output devices — the slide makers, pen plotters and computer screens —began to fall dramatically.

2—*Rising quality.* The introduction of high resolution ink-jet plotters and slide recorders meant outstanding finished output of the charts on to paper or slides. When IBM entered the picture with a colour terminal screen, it provided the endorsement the graphics equipment market needed.

Falling costs and high quality, combined with a package which could be mastered within a day, sparked a boom in business graphics and the fortunes of Issco. Sales passed the $1m mark in 1978 for the first time and hit $16.6m last year.

Mr Peter Preuss, one of the two students who developed Disspla, and now president of Issco, identifies ease of use as the key to growth in business graphics.

"The introduction of Tell-a-Graf saw the user base of business graphics skyrocket," he says. The move is clearly in this direction. Cuechart was introduced last year as a system that further simplified the process by offering a menu of pre-designed charts. A secretary can use it by saying, for example, "generate a monthly bar chart of sales" and answering a few questions about data needed to complete the chart which is then generated through Tell-a-Graf.

A further reason for the success of the two packages is that they are both device and machine independent. This means with more than 130 specially developed adaptors known as interfaces, they can be used on most major computers such as IBM, DEC, Univac, CDC, Honeywell, Burroughs and Prime and with many different makes of graphics output equipment, not just one high-cost supplier.

Issco is not alone in the market. It sees as its competitors other independent software suppliers and the hardware manufacturers such as IBM which offers graphics software. Certain turnkey system manufacturers such as Hewlett-Packard offer graphics as part of its applications and the expanding power and presence of the microcomputer has spawned many graphics products from hardware suppliers such as Apple, and software suppliers.

Issco claims that the graphics software products offered by competitors are, at the moment, more limited in capability and quality and can operate on fewer devices and computers.

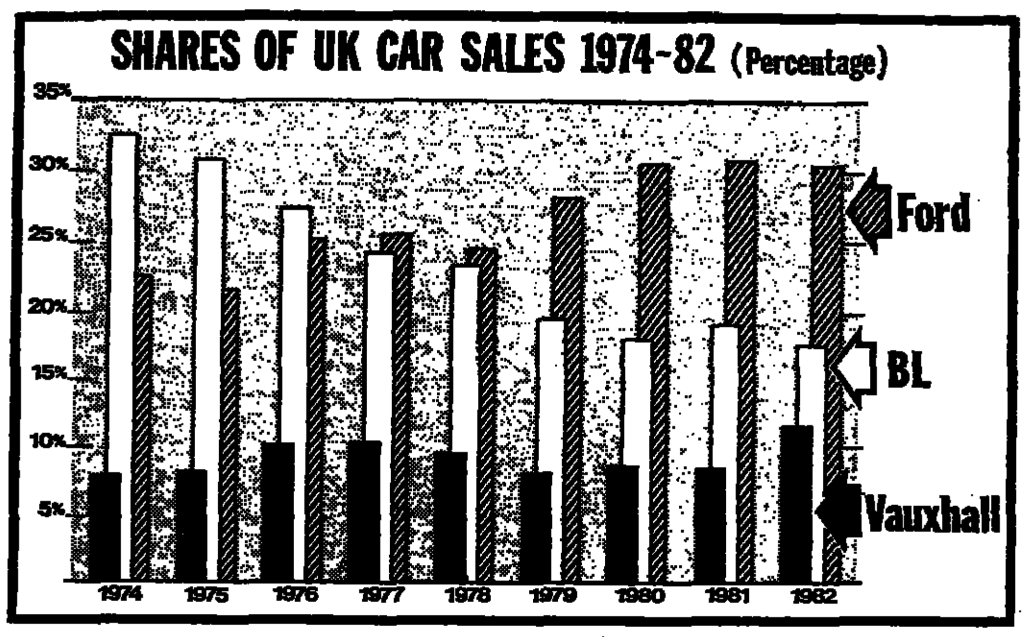
One market Issco has not entered is microcomputers. Having established a main package of high quality and flexibility of format for many users it is reluctant to compromise this for low-powered personal input stand-alones, although the new more powerful 32-bit microcomputers, such as the Apollo Domain, are capable of driving an Issco package. Also, the best selling IBM personal computer can now be adapted to "talk" to main frame and store Issco charts on a floppy disc for viewing.

Issco reckons the UK to be four years behind the U.S. in the use of business graphics, but significantly it was the multinationals such as Shell and Amoco which were among the first to bite with more recently the Treasury, Citibank, and Standard Telephones and Cables.

According to Mr John Millard, managing director of Issco UK, there are about 30 companies now using an Issco package:

"In the UK, computer graphics are regarded as being an expensive luxury rather than a necessity, but they are coming round," he says. "When we first set up here in 1981 we had two customers but interest is growing rapidly. We feel a bit as though we are waving a lone flag although we have not yet even scratched the surface."

Issco's difficulty is spreading the word to the right people. Alan Paller points to the salutory PepsiCo experience. "The guy at the top, the guy who signs the cheques just does not know what computer graphics can do," he says. "But like the guy at PepsiCo, as soon as he sees them he wants them. Before that, we had been trying to get in the place for two years."



Turning data into information

THE CHART and the table contain the same information. First, look at the table. What does it show you? Without several minutes of concentration probably not very much. Now look at the chart. You have an instant picture of the UK car market since 1974. You see at a glance the remorseless rise of Ford, the inexorable decline of BL and the recent upsurge of Vauxhall. In short, the chart gives you the information faster.

SHARE OF UK CAR SALES 1974-82 (%)

	1974	1975	1976	1977	1978	1979	1980	1981	1982
BL	32.7	30.9	27.4	24.3	23.5	19.6	18.2	19.2	17.8
Ford	22.7	21.7	25.3	25.7	24.6	28.3	30.7	30.9	30.5
Vauxhall	8.0	8.3	10.1	10.4	9.7	8.2	8.8	8.6	11.7

Management abstracts

How to make job sharing work. M. Syrett in Personnel Management (UK), Oct 82.

Against the background of initiatives, discusses potential advantages and disadvantages of job sharing, likely costs, practical difficulties requiring solution, and the danger of resistance from full-time staff. Provides case examples of job sharing in operation at GEC Telecommunications, the Stock Exchange, and Sheffield Education Authority.

Outplacement. D. Henriksen in Personnel Journal (U.S.), Aug 82

Reports growth in the use of outplacement services—in-house as well as provided by external consultants—for all levels of staff, outlines benefits claimed and the range of services available. Examines criteria for deciding whether to use in-house or consultant services, offers advice on selecting and using consultants, and discusses how in-house programmes may be established and administered.

"Let's not have a meeting." P. R. Timm in Supervisory Management (U.S.), August 1982.

Looks critically at the need for business meetings, identifies evidence of "consensus overkill," and wonders why so many meetings take place; gently debunks their accepted advantages (while accepting that they can, sometimes, be useful) and presses their disadvantages hard.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Sale proceeds

A tenant of a warehouse belonging to us has removed all his goods from the premises. His lease has 1½ years still to run and he owes us rent. He has moved all the goods, upon which distress could be made, to his main premises, which does not belong to us and I understand that distress can only be made upon goods within the premises leased, and for which rent is unpaid.

Assuming there is something of value inside the premises, but the premises are locked, how can we gain access to distrain? Is there any right to distrain upon the goods now in the main warehouse, not the subject of our leased premises?

If you cannot enter the demised premises without breaking in you cannot levy a distress. If you employ a bailiff to levy the distress he may be more adept at finding a means of entering without breaking in. However, it is unlikely that goods of value will be found on the premises if the tenant has abandoned them. You cannot distrain on goods of the tenant not on the demised premises. It seems that you would do better to get a judgment for the rent due and to execute that judgement on the goods which are not on the demised premises.

Travel expenses

I am a retired company secretary and have accepted a part-time appointment as director and secretary of a small new company at a nominal salary. The agreement provides that the place of my employment is my home where I have an office and keep the company's account books and financial records.

Once a week I attend the company's operational office 80 miles away, my actual expenses being reimbursed by the company. Would you consider that in the above circumstances these expenses payments would be chargeable to income tax in my hands?

Yes: you will find general guidance in the new edition of Inland Revenue booklet 480.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

THE FT IS NOW ON PRESTEL

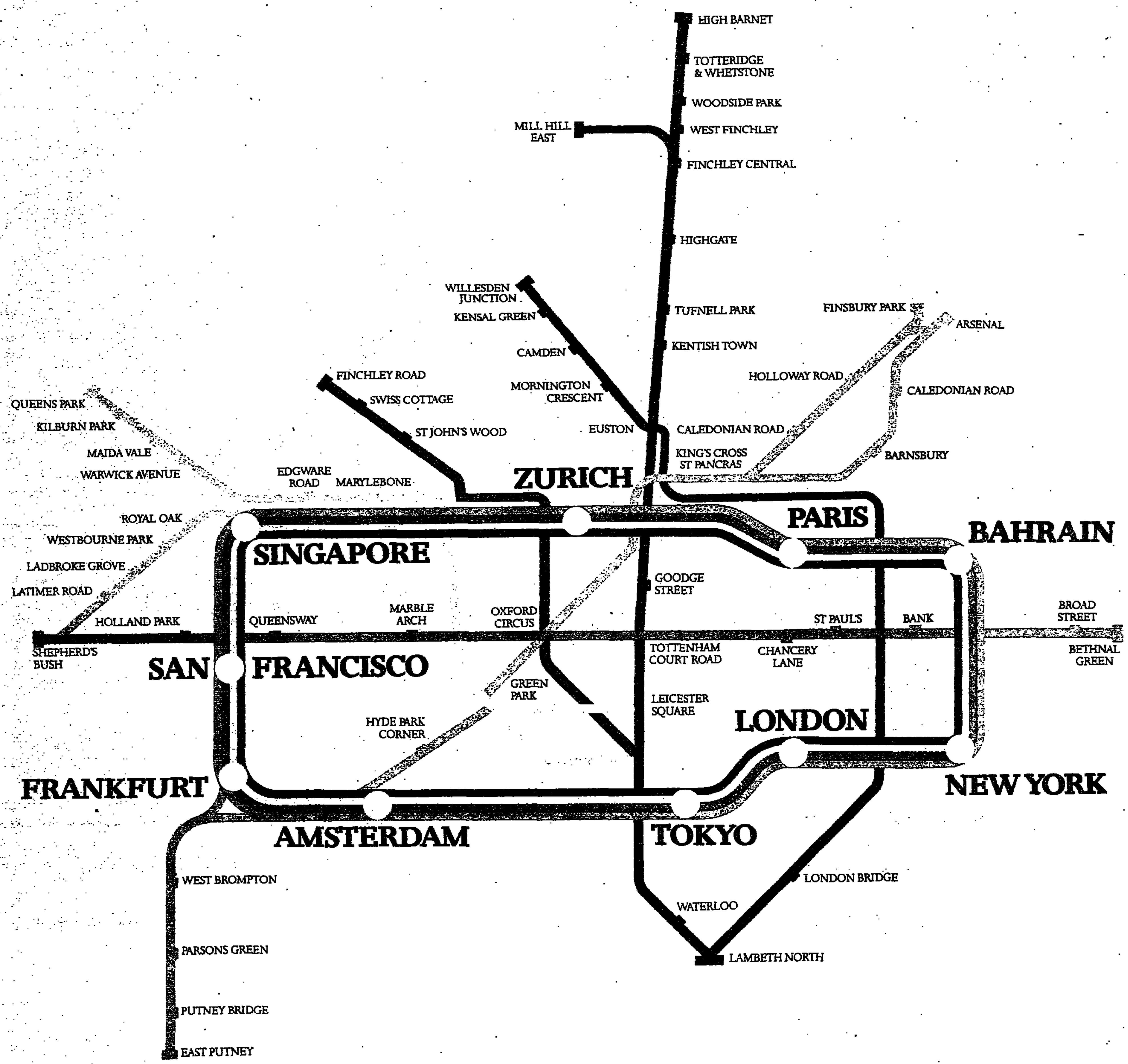
The Financial Times has information covering the following subjects available on Prestel.

Forthcoming surveys for the whole of 1983 are divided up into categories of interest as well as detailing the new additions that have taken place during the past week, this programme is updated weekly, every Thursday. Available on 24848.

F.T. Publications and Services that are available showing their costs and who to contact. Available on 2484892.

NBRC—UK Businessman's Readership Survey 1982. Information concerning the readership habits of UK businessmen are shown. Available on 248489.

EBRS—European Businessman's Readership Survey 1982 showing the readership habits of senior European businessmen covering 16 countries is available on 2484893.



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BANK OF AMERICA

APPOINTMENTS

Co-operative Insurance Society makes changes

Mr A. Cochrane, deputy chief general manager and secretary of the CO-OPERATIVE INSURANCE SOCIETY, has retired. **Mr A. Duval**, chief general manager, becomes chief general manager and secretary; **Mr S. F. Wood**, investment manager (stock exchange), becomes chief investment manager; and **Mr P. W. D. Smith**, at present assistant secretary, becomes deputy secretary.

*

Mr John Griffiths has been appointed a director of SAMUEL MONTAGU INTERNATIONAL, a wholly-owned subsidiary of Samuel Montagu and Co. He will be taking up responsibilities as Samuel Montagu's representative in San Francisco in July.

*

The Industry Secretary has made seven appointments to the ENGINEERING COUNCIL. **Professor Bernard Crossland**, special research chair, Department of Mechanical and Industrial Engineering, the Queen's University, Belfast. **Professor Alec Gambling**, British Telecom Professor of Optical Communication, University of Southampton. **Mr Malcolm Harker**, managing director, Harker and Sons (Engineers). **Mr Robert Malpas**, managing director, the British Petroleum Company and chairman BP Chemicals International. **Miss Detta O'Cathain**, head of strategic planning, Milk Marketing Board. **Mr James Stevenson**, deputy managing director, Balfour Beatty. **Mr John Waters**, laboratory manager, structures laboratory, Wimpey Laboratories. They will serve until May 31 1985. This brings the council up to its full strength of chairman and 24 members.

*

Dr Martin Wyatt has been appointed director and managing director designate of ABC COMPUTERS, Harrow, computing arm of Kenchington Little and Partners.

*

CROW OF READING has appointed to its board **Mr Alan Brown**, currently general manager, and **Mr Chandu Luhar**, company accountant, now becoming financial director.

*

Mr A. R. G. Raeburn has been appointed to the board of BOOSEY & HAWKES.

*

Mr Howard Cass has been appointed financial director and company secretary of shop fitters CASS-WHITE, Crawley.

*

The following have been selected as members of THE DESIGN COUNCIL: **Mr Hugh Lang**, chairman, The P-E Consulting Group; **Mr Oliver J. Makower**, director, M. Makower & Co.; **Miss Jean Muir**, Jean Muir; and **Dr Robert Smith**, director, Kingston Polytechnic.

*

Mr Richard Price has been appointed director of social affairs at the CONFEDERATION OF BRITISH INDUSTRY. He was director of regions, and succeeds **Mr Richard Worsley**, who has taken an appointment as corporate employee relations manager with British Aerospace. **Miss Sonia Elkin** becomes director of regions. She was director for smaller firms. The new director for smaller firms is **Mr Martin Morton**, who was director of social affairs (administration).

*

Mr Michael Atterbury has been appointed group secretary of BARCLAYS BANK.

*

Mr Ian D. W. Robertson has been appointed as HERON's international corporate counsel. He was European counsel to the Singer company. He will be concerned principally with Heron's activities outside the UK, especially those in the U.S.

*

BANK OF SCOTLAND has made senior changes in its international division. **Mr Peter F. King**, manager, export finance services, has been appointed senior manager, based in London. **Mr Jack D. Duthie**, a manager, export finance services (London), is promoted to be manager, export finance services (Edinburgh) and **Mr Frank R. Burge**, export credit manager, has been redesignated consultant and export credit manager, from May 31. **Mr Alan Boothby** and **Mr Adam R. Ion**, assistant managers, export finance services, have been appointed managers (resident in London) from May 31. **Mr Ernie R. Brown**, assistant manager, oil and energy department, has been made manager of the department.

*

Mr William Walker has been appointed new business development director and a member of the board of the electro-optical division of the PILKINGTON GROUP. Based in Glasgow, he is also commercial business development director and on the board of Barr and Stroud, part of the division. He succeeds **Mr Bob Parry**, who died suddenly last year.

*

Mr Robert Hughes, principal assistant to BIRMINGHAM COUNCIL'S chief executive, has been named head of the City's new development and promotion unit. He will co-ordinate commercial and industrial promotion and public relations.

ENERGY REVIEW

LPG: a key role for the Netherlands in Europe's expansion plans

By Walter Ellis in Amsterdam

THE Netherlands, together with Belgium, looks set to become the predominant European distribution centre for Liquefied Petroleum Gas (LPG), a fuel which is enjoying a rapid market expansion.

For several years Dutch plans to increase the country's role in the LPG trade have been the subject of major controversy, with environmental groups questioning the safety of LPG storage systems and the Government itself lukewarm in its attitude to the industry. But new information and new storage techniques have changed the climate.

The environmentalists have to an extent been mollified—though it would be wrong to say that they now welcome LPG. More to the point, perhaps, the Government has come round to believing that LPG is an essential factor in the modernisation of Dutch industry.

The Netherlands Social and Economic Council (SER), a state-sponsored advisory body of considerable influence, last

Distribution by barges along inland waterways

year published a report on energy and the economy in which it strongly pressed the case for increased use of LPG, not only as a heating fuel but also as a feedstock for the petrochemical industry. SER also urged increased use of LPG as a motor fuel.

LPG consists of light hydrocarbons—such as butane and propane—which are produced at the same time as oil. Supplied in small cylinders or delivered in large bulk tankers, LPG is used mainly as a premium fuel for heating.

In 1976 the Dutch Government refused a permit for the construction of a major LPG terminal in the Moerdijk area of Rotterdam, and the development was switched to Antwerp. One reason for the refusal was a badly presented case, but concern over safety was also a vital element Similarly, plans for a Shell/BP terminal in Rotterdam's Europort area came to nothing, despite initial government interest.

The Dutch did go ahead in the 1970s with the construction of two terminals at Ternuizen and Vlissingen, both on the estuary of the River Schelde and upstream from the Antwerp terminal. In the new, changed climate towards LPG, there are plans for further expansion.

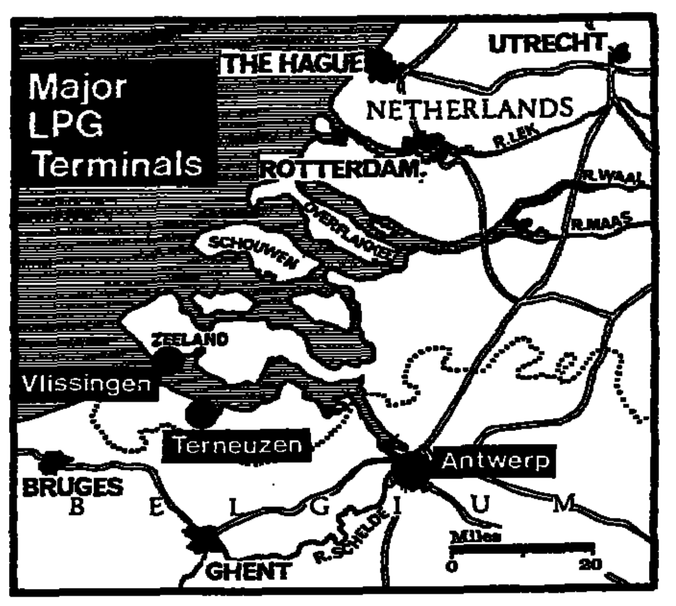
Crucial to the new attitude is a recent report by the Dutch organisation for applied scientific research (TNO), which concluded that the distribution of LPG by barges along inland waterways was as safe as by pipeline. The Ministry of Transport and Waterways in The Hague has since confirmed that the report's findings will form the basis of a new LPG import Bill for submission to parliament this summer.

A year ago, legislation under preparation had opposed all ship-to-ship discharge of LPG on safety grounds and would have required all distribution to be carried out by pipeline. Since then, however, new information has been produced showing the virtues of floating storage and the discharge of LPG by hose.

The Government has also relaxed a rule, imposed in 1979, limiting to 500,000 tonnes the offtake of LPG in a single cargo —which the industry insisted had severely limited its growth.

All this means that the Netherlands should be in a position to become a key LPG trader.

Its barges will benefit from the Antwerp terminal, designed to serve the Benelux countries, West Germany and Northern France. Owned by United Energy Resource of the U.S., Transoil, the Rotterdam trader, and ACP, one of the largest distributors of gas in Belgium, the Antwerp facility will be the first major terminal able to offer services and leases to third parties. Thus, it offers the opportunity for small- and



The Antwerp terminal, designed to serve the Benelux countries, West Germany and Northern France, will be the first major one able to offer services and leases to third parties. The Vlissingen terminal, when completed, will have a capacity roughly equal to that of Antwerp, though it may prove less advanced.

medium-sized traders to expand their businesses and serve the growing LPG market.

The Netherlands own existing facilities are not negligible. The Rurogas terminal at Vlissingen, when completed, will have a capacity roughly equal to Antwerp's, though it may prove to be less advanced.

It has had large-scale pressurisation storage installed over the last three years and now a pair of refrigerated tanks is being constructed there. Owned by Van Ommerman, the Dutch shipping and storage group, and Thyssen-Bornemisza, the international manufacturing and trading company, it is rented out to Shell and BP.

The country's second terminal at Ternuizen is owned by Dow Chemicals, originally conceived solely for the U.S. company's own use but now engaged, too, in general trading. It has both refrigerated and pressurised tank storage capacity.

But the Netherlands now sees itself not only as a trader of LPG but a substantial user as well.

The home-heating market in Holland is already highly developed. All those—particularly in outlying districts—who want bottled LPG have got it. Industrial use—for example by the glass industry—is also increasing.

In the automotive field, most Dutch filling stations already supply LPG and it has been demonstrated that the use of flat, tough LPG tanks in cars is often safer in the event of a collision than use of a thin-shell petrol one.

SER has pointed out, however, that a complete switch-over to LPG use by drivers could, under existing tax structures, cost the treasury Fl 1.4bn (£124m) per year in lost revenue. Changing the infrastructure would, moreover, require an investment of some Fl 6bn but would have the advantage of providing work for Dutch industry. A change-over to diesel would give a boost to importers of foreign-made diesel cars and would cost the Treasury Fl 1.9bn annually.

If oil prices begin to rise again, then LPG would come into its own as fuel. Petrol-using vehicles are easily converted. All that would be needed would be incentives in the form of lower taxes and excise duty.

As for chemicals, SER's report says that "it is of the greatest importance to the Netherlands that the necessary infrastructure provisions be made to ensure that the Dutch chemical industry has access to the international flow of LPG."

Increased availability of LPG from the Middle East and Africa should mean cheaper supplies of propane and butane. The petrochemical industry in West Europe faces a challenge from the big ethylene capacity being built up by the oil exporters, in particular Saudi Arabia, with their access to cheap ethane—SER, at least, believes that Dutch plants have a few years to strengthen their position on the basis of LPG.

Traditionally LPG has been the main feedstock for ethylene production in the U.S. Its importance for West European and Japanese industries has been growing, but changing to it is not a simple proposition. Dominated by Shell, Esso, British Petroleum and the Dutch State Mines, the Netherlands' ethylene industry is based mainly on naphtha and gas oil.

Crackers, SER concedes, will have to undergo radical alteration if they are to absorb a greater proportion of LPG. There is also the problem of the volatility of the price of LPG.

When oil output falls, as it has over the past four years in the Middle East, less LPG is available and the price rises. Thus, Saudi Arabia, the main producer and exporter, has increased its prices four times since last November.

Up until then, following a period of stability lasting almost a year, the rate for butane had been $255 per tonne and that of propane $235 per tonne. As a result of the last hike the price for both is now $280 per tonne.

The rate on the Rotterdam spot market soared to over $400 per tonne this spring but currently is around $325 for propane and a little over $300 for butane. That compares with $245 for gas oil.

Mr Jan Oerlemans, the Rotterdam-based director of marketing and development for the Antwerp Gas Terminal, points out that the LPG price needs to be $30 below the rate for naphtha to be competitive.

However, the coming on stream of more LPG plants in the Middle East and North Africa and increasing output from the North Sea should lead to greater price stability over the next few years.

Elsewhere in Europe, West Germany, Britain, France,

A problem of volatility in LPG prices

Switzerland and Norway are making substantial progress in building up their capacity to import and distribute LPG. Even Ireland is hoping to create a vast LPG bunker in limestone caves under Dublin Bay.

The industry in the Netherlands is safely out of its infancy, and the adolescent phase looks like being both short and less troubled than appeared likely in the mid and late 1970s. The Dutch government seems increasingly convinced that LPG is an important growth sector for the country's economy and is largely reconciled to the view that the risk of disaster is small. All that remains is for the chemical industry to swing into line.

THE ARTS

Television/Chris Dunkley

Preaching to the unconverted

Nick Ross

As Britain's two new television services, Channel 4 and TV-am, approach their first summer and the normal summertime decline in viewing, neither looks very happy. Indeed the signals from TV-am seem almost desperate. Near the end of one of last week's programmes Lynda Berry (who is the best news TV-am ever had) asked her co-presenter "Are you writing to the viewers to thank them today Gavin or am I?" Brave, no doubt, but hardly likely to improve the ratings.

Even more embarrassing is the campaign started by the station's executives and backers to persuade the world that the TV-am fiasco should be blamed on the tools used for audience measurement. They complain that the BARB (Broadcasters Audience Research Bureau) system used by both BBC and ITV overlooks viewers in hotel rooms, those using video recorders, and anybody watching for less than seven and a half minutes.

All that is true but scarcely crucial. BARB reckons that a generous estimate for hotel viewers would be 10,000 and the only people bothering to record breakfast television to watch later are presumably television critics. As for those watching in segments of less than seven and a half minutes—can they really be considered "viewers"? Advertisers would presumably not count them since they could easily come and go without even seeing a single commercial.

If there is a real doubt about the figures it could be that they are too high: BARB actually counts not viewers but sets switched on (80,000 for TV-am in the past few weeks) and multiplies by 2.5 as the average number of people per household. Common sense suggests that while there may be a family viewing habit in the evening, patterns of life in the morning are quite different with some people shaving, some eating, some finishing homework. For breakfast purposes 2.5 viewers per set could be a considerable over estimate and TV-am's true figure therefore quite a lot less than 200,000.

The most telling point, however, is that any snags in the BARB system affect the BBC just as much as TV-am (or "Teevam" as the tiresomely hyper-active Saturday presenter Jeni Barnett says). Yet while TV-am has slumped from 800,000 to 200,000 the BBC's *Breakfast Time* has maintained its audience of 1.5m.

The reasons for this seem as clear now as they did 10 weeks ago. First, whereas advertisements may actually be welcomed by viewers in the evening since they allow time to go to the lavatory and put the kettle on, they become a dreadful waste of time during the morning rush when all you want is a quick idea of the news headlines.

Second, the news is done much better by the BBC than by TV-am. Watching last week the BBC's advantages in being able to call on all the Corporation's correspondents and crews become more and more striking. Conversely, TV-am's frequent reliance on maps and still pictures (once they appeared to resort to a black and white photograph cut out of a newspaper) lacks dynamism and looks poverty stricken.

And third, whereas the BBC shrewdly chose two level headed journalists of wide experience as their main presenters—Frank Bough and Nick Ross—TV-am have managed to get their presenters wrong twice. First they tried the self-conscious glitterati led by Frost, Rippon and Ford and now, having quickly dropped them, they have chosen a group who would look more at home in a local newspaper office.

Admittedly that is not out of keeping with the content which these days is just about as far removed from the "mission to explain" of former chairman and managing director Peter Jay as it could be. *Good Morning Britain* now looks for all the world like a televised version of a cheap magazine for teenage girls: make-up hints, pop songs, interviews with fading actresses, swimsuit fashion, your problems answered, "Win A TV" quiz, hints on giving up smoking, keep-fit exercises and recipes.

With a touching faith in the BBC's judgment, they have tried changing the image of weatherman Commander Philpott from dark-suited Naval officer into something more like cuddly Francis Wilson by popping him into a fawn woolly. At weekends you get the same sort of mixture with Mr and Mrs Parkinson in charge, plus the occasional American animated cartoon and stories in picture-book illustration form such as "The Phantom Kangaroo" read in voice-over by David Frost and Robert Kee. How are the mighty fallen.

Channel 4, which has drifted from its 4 per cent share of the audience only three times since January to rise to 6 per cent for one week of abnormal programmes and to fall twice to 3 per cent seems to have reached a bizarre conclusion about what programmes are possible within the limits defined by Parliament and the IBA. It seems you can have either women-only current affairs series, racial separatism, and the other woolly-minded left-overs from the trends of the '60s, or else you have to have a carbon copy of ITV's high-rating light entertainment schedules, or some combination of the two. It never seems to occur to them that there are *lots of other* things missing from British television.

There may have been a distinct lack of trade union films, reggae music, and women's (as distinct from people's) art on ITV and BBC and certainly C4 has been working hard to bring us such items. It is also true that there was, thank goodness, a lack of apartheid programmes splitting the population into racial groups and presenting them carefully labelled.

Unfortunately C4 has changed all that too. Now we have Asians only in *Eastern Eye*, and *Black On Black* is "aimed at black audiences and made by a team of black journalists" as the programme's publicity announced with a curiously myopic pride.

But there is also a lack of the big band sound on ITV and BBC, a lack of erotic films, a lack of good operetta. Though fishing is the most popular participatory sport in Britain fishing programmes were always very rare, as were book programmes. They still are. In the words of chief executive Jeremy Isaacs "Channel 4 will add to the forms seen and the voices heard in the gamut of British broadcasting or it will fail." In other words C4 was supposed to supply something new, yet in the most important of all ways—the general tone and attitude—it has done no such thing.

It is not the small screen equivalent of The New Statesman and Spare Rib and The Guardian which has been missing from television (current affairs and documentary departments being staffed quite disproportionately by Left-wingers clinging to the ideas of the shrinking Labour movement) but the small screen equivalent of The Spectator, Private Eye and the Daily Telegraph. It isn't the Pilgers which television lacks but the Hastings.

The last election made clear and (I suspect) the next will make even clearer that it is not the attitudes of The Guardian which represent the British heartlands but those of the Telegraph and The Sun yet you would never know it from ITV, BBC1 and BBC2. I would guess, and I doubt if anyone with wide knowledge of the television industry would disagree, that the great majority of those in television journalism support the abolition of hanging as I do and as most MPs do. Yet the overwhelming majority of the British public, given the choice, would reintroduce hanging tomorrow.

Lynda Berry

In this as in many other major concerns—education, immigration, nationalisation, law and order and so on—television has always been used to preach to the British, not to express their beliefs. That was the great gap to be filled, but C4 has plumped for the opposite. Whenever I make this point at one of the television conference which must now represent one of Britain's biggest growth industries a C4 representative points protestingly to *The Friday Alternative* and lists the Telegraph types who have appeared on it. But the failure to add the much longer list of Guardian types merely serves to emphasise the tokenism of such a gesture within C4 as a whole.

The pity of it is that after discovering that a schedule featuring an abnormally high proportion of the familiar Guardian style television programmes attracted only 3 per cent to 4 per cent of viewers, C4 still did not decide to fulfil its "Be different" function by going after the traditionally under-*represented audience*, but instead set out to add the other half of the familiar formula: the known ratings builders. So now we have comedies (*Capstick Capers*, *The Optimist*, *Father's Day*) and American imports (*Cheers*, *Soap*, *Naked City*). Somehow "new" and "different" are not the first words that spring to mind.

Liza Minnelli/Apollo, Victoria

Michael Coveney

There is nothing much sadder than the sight of a performer assuming the trappings of stardom without delivering the goods. There they all are, the rent-a-crowd showbiz hangers on, the minor pop stars, the struggling football managers, the tone-deaf Hendon loyalists with a longing for the perforated ear-drum.

And here she comes: Liza, offspring of Judy Garland and Vincente Minnelli, shouting *through* a *discothèque* blare of distorted, (on paper) talented musicians, plugging her background and collapsing in a pathetic heap on the joyride of a movie (a very fine one, actually) she completed ten years ago, *Cabaret*.

Even if I had not paid £3 for a rip-off of a so-called programme, my hackles would have risen anyway within five minutes of the curtain not going up.

The show is a chaotic, suburban, second-rate shambles. It is like a nightmare TV Special from some benighted outpost of a tattered showbiz empire. So much for the good news. Miss Minnelli, for whom up until this point I have harboured a lingering affection and indeed a glancing interest, buried my good will for ever by mixing up the Brecht-Weill "Bilbao Song" with another post-marked "September" and a few loaded nudges towards the pulsating (not unaffecting) tawdriness of Kander and Ebb's *Cabaret* score.

Wounds subsequently inflicted on George Gershwin ("Slap that bass," "'S'wonderful") did nothing for the plaintiff's cause, who gave up anyway just before the interval, after a sickly reminiscence or 10, and achieved some awful osmotic translation to *Garland (well, I suppose* she's as entitled as anyone to insult her mother) by trampling all over "The Trolley Song" from *Meet Me in St Louis*. Prior to this, some cute reference is thrown in to Mr Minnelli's *Gigi* which won a few Oscars and was thus "the *Gandhi* of 1958."

As if that were not enough, Miss Minnelli then harps on her parental credentials with a truly dreadful rendition of *"God Bless the Child" before* embarking on some fatuous nonsense about waiting to win an Oscar.

Is there no-one around Liza Minnelli capable of rescuing her undoubted talent from this quagmire of self-regarding, unambitious camp? She sings quietly and movingly for about ten minutes in the second half. Her elfin, super-charged qualities are desperately in need of a flattering vehicle.

This disastrous show sent me, a devoted well-wisher, screaming into the street with an acute onset of ear-ache, head-ache and, since you ask, tooth-ache. Apart from that, all's well. Who's next?

Liza Minnelli

Keeping New York on its toes

Clement Crisp reviews dance revivals, novelties and hoofing that lights up Manhattan

That New York is the dance capital of the world could not be in doubt as April ended. During a 14-day period New Yorkers could see visits by The Royal Ballet and London Contemporary Dance Theatre, as well as the regular seasons by New York City Ballet at the State Theatre, American Ballet Theatre at the Metropolitan Opera House, Paul Taylor followed by Alvin Ailey at the City Center, and Eliot Feld's troupe at the Joyce Theatre. In addition, soloists and smaller ensembles were going about their business; in variety of fare and eager response to performances, there is nowhere like New York.

That quality was variable in the extreme was also evident. NYCB, as I have already noted, was on top form. American Ballet Theatre in the unengaging barn of the Met—a stage too vast, an auditorium too cavernous—was at a disadvantage, but in its corps de ballet and soloist ranks the company looked strong and accomplished.

I saw a presentation of Ashton's *Les Rendezvous* that had exceptional technical finesse, with Deirdre Carberry in the pas de trois whipping off triple pirouettes with sweetest ease. Although the piece fares better than some other works on the Met stage because of the clarity of William Chappell's design, nuance in Ashtonian style, especially in *epaulement*, was missing. The dancers raced brilliantly through the text, wasting not a moment on its youthful charm.

Very impressive the level of corps de ballet work in Balanchine's *Theme and Variations* (though there is a world of difference in ABT's way with Balanchine and NYCB's in matter of controlled classic energy) and in the company's splendid rescue of Balanchine's *Symphonie Concertante. Theme and Variations* was led, decently and smoothly, by Cynthia Harvey and Ross Stretton. It is a major work, but one demanding from its principals the grandeur that Alicia Alonso and Igor Youskevich once gave it; Miss Harvey and Mr Stretton, for all their honesty of technique, had a slight air of dancing above their station.

Symphonie Concertante is a curiosity, in that it had been long unperformed and was generally supposed to have been forgotten—such the fate of ballets too long out of a repertory. Happily, Ann Hutchinson Guest, most eminent of dance notators, had recorded the work soon after its creation in the late 1940s, using Labanotation. (We saw it in London with NYCB in 1950, and beautiful it was.)

Now it has been recreated by a Laban expert, with some stylistic help in final rehearsals from former City Ballet stars. The result is a treasure reclaimed from oblivion. The score is the Mozart duo for violin and viola, K.364; the *original setting*, a *Bibiena* fantasy, has been replaced by a cyclorama and costumes by Theoni Aldredge.

The two ballerina roles are the voices of the solo instruments; Cynthia Gregory was sure, alert as the violin, but I found Martine van Hamel lethargic rather than warmer-toned as the viola. Their evolutions, and the participation of the sole danseur, the powerful Patrick Bissell, were very beautiful set against the orchestral *tutti* of the corps and soloists. A wonderful ballet has been rescued from unjust neglect.

Another revival was Jerome Robbins's *New York Export; Opus Jazz*, which was made for his *Ballets, USA* in 1958, and seen in London at that time. It is a piece of tough urban ethnography cast in classic form, for all that its dancers wear day dress and sports shoes. It post-dates *West Side Story* by a year, but I suspect that the musical argues the 1950s dance more potently, despite enthusiastic performance from ABT's artists.

The arrival of a Merce Cunningham work in the repertory tells something of ABT's eclecticism under Baryshnikov's leadership. *Duets* is a sequence of six pas de deux which follow their own logic and tracks over the stage, and are by turns gentle, extrovert, secret. It is some tribute to Cunningham's manner that, despite the restriction in numbers and the austerity of the dance language, the piece never looks lost on the Met stage, but engrosses us by its pure lines and calligraphic clarity.

Follow the Feet, a novelty this year, is a duet for Mikhail Baryshnikov and Robert La Fosse by John McFall, a San Francisco choreographer. Set to Stravinsky's Ebony Concerto, it proposes rivalries between two sporting types, but its humours never rise above the obvious (the male competition duet in *Dances at a Gathering* does the thing much more succinctly and wittily), and it seems a waste of Baryshnikov's genius and the brilliance of Mr La Fosse.

The new pieces in the Paul Taylor season, *Sunset* and *Snow White*, were both successes. The originality of Taylor's mind, his ability to keep the dance fresh, ever-questioning in its aims, made *Sunset* a special joy. The setting by Alex Katz is a park where soldiers on leave lounge and dream and pick up girls. It it an archetypal scene, familiar to anyone who has been in a garrison town and watched such immemorial and transitory courtship rites.

Taylor's choreography makes these meetings and partings more like memory than actuality, a universal symbol rather than a specific incident. There are passages which tell of the joys and extravagances of courtship, and of the tensions between the soldiers and their girls, and between the men themselves, which hint at sexual as well as emotional comradeship set against the briefer liaisons with the women.

It is the curious innocence, the feeling of experience purified by memory, which gives *Sunset* its unusual clarity of mood, and Taylor's use of Elgar's Elegy and Serenade for strings stresses the nostalgic rather than actual. Where Jerome Robbins's *Fancy Free*, on just such a subject pin-pointed with absolute precision a place, a time, a style, *Sunset* suggests nowhere, and everywhere.

Snow White is Disney sent up out of sight. That the Wicked Queen is also the Prince—a pin-headed Siegfried, all gesture and no feelings, and wonderfully played by Elie Chaib—and that there are only "some dwarves" (five to be exact) and that they are singularly unlike Disney's oh-so-endearing septet, is part of the joke. There is also a Bad Apple, bright red and roguish, and the tale is told helter-skelter, with the dwarves doubled up and rampantly eager. The Taylorian twist at the end is that Snow White (Ruth Andrien, the essence of saccharin charm) is seen gazing at herself in the mirror—and that's how Wicked Queens are made.

About the Eliot Feld company I write with some reluctance. I hope that I saw them on a particularly bad night (for them as well as for me), since the three works on view induced only feelings of exasperation and despair. *Anatomic Balm* was cute and repititious for 11 girls to Ragtime tunes on the violin; *Over the Pavement* was brutal for seven urban louts whose gang activities were ingeniously [illegible]

Summer's Lease was yet another Mahler ballet, ringing the changes on young love, angst, and the distant ring of trumpets bringing on dear old Sergeant Death. The sooner a close-season on Mahlerian dance is declared, the better the ballet world will be.

As a final happy note, I record that *On Your Toes* continues as a vastly enjoyable Broadway romp, blessed with superb tunes, literate lyrics, and Natalia Makarova at her most *joyous. Whether reading a* newspaper, exquisite leg in the air; or seducing the jeune premier on her bed in arabesque; or appearing as Queen of the Harem in *Princess Zenobia* (alias *The Marx Brothers meet Scheherazade)*; or throwing a tantrum and a dozen shoes, or hoofing adorably in *Slaughter on Tenth Avenue*, she lights up the sky.

Royal Opera announces plans for next season

The Royal Opera, which opens its 1983-84 season on September 13 with a revival of Berg's *Lulu*, has announced a programme with a total of six new productions and 13 revivals.

Plans released at the annual Press conference yesterday included a new *Aida*, produced by Jean-Pierre Ponnelle, conducted by *Zubin Mehta, with Luciano* Pavarotti and Katia Ricciarelli heading the cast; Massenet's little-known *Esclarmonde*, given especially for Joan Sutherland; and Ravel's one-act opera *L'Enfant et les sortilèges* in a double bill with Stravinsky's *The Nightingale* produced by John Dexter and designed by David Hockney—the team of the New York Metropolitan Ravel/Stravinsky double bill.

Sir John Tooley, general director of the Royal Opera House, emphasised that the number of new productions is in marked contrast to that of the current season, which contained only two. Of the six, four are original to Covent Garden: the Ravel/Stravinsky operas, Bellini's *I Capuleti ed i Montecchi* (conducted by Riccardo Muti, with Agnes Baltsa and Edita Gruberova as Romeo and Juliet), and the original Musorgsky *Boris Godunov* (conducted by Claudio Abbado, production team still to be announced).

The remaining two have been borrowed from other international houses: *Esclarmonde* comes from Vancouver, *Andrea Chenier*, an opera previously postponed twice in Royal Opera plans, from Cologne, with José Carreras, Rosalind Plowright, and Bernd Weikl in leading roles, Richard Armstrong as conductor, and Michaael Hampe as producer. Sir John admitted that a new Verdi *Forza del destino* had had to be abandoned at the planning stage owing to budgetary shortfall, and also that, if Covent Garden's worst fears concerning the next Arts Council allotment of funds were proved correct, then the programme as it stood might have to be altered or truncated.

Revivals include *Otello* with Placido Domingo (who makes his Royal Opera debut conducting in *Die Fledermaus*, with Kiri te Kanawa and Hermann Prey), Sherrill Milnes singing the title role of Verdi's *Rigoletto* for the first time in London, *L'elisir d'amore*, in which Geraint Evans will make his farewell Covent Garden appearances, *Werther*, and *Cosi fan tutte*.

The Royal Opera music director Colin Davis conducts three series of performances—*Lulu, Otello*, and *Falstaff* (with Ingvar Wixwell in the title role and Thomas Allen as Ford). Twentieth-century operas other than *Lulu* include Berg's *Wozzack*, not seen in London since 1975, and two by Benjamin Britten — *Peter Grimes* (conducted by Bernard Haitink) and *A Midsummer Night's Dream.* For the first season in the post-war period no Wagner opera appears on the bill.

M.L.

Arts Guide

Music/Monday. **Opera and Ballet**/Tuesday. **Theatre**/Wednesday. **Exhibitions**/Thursday. A selective guide to all the Arts appears each Friday.

May 13–19

Theatre

LONDON

The Rivals (Olivier): Splendid National Theatre revival, cunningly designed by John Gunter to place us in the middle of 18th century Bath. Geraldine McEwan takes a fresh, inquisitive look at Mrs Malaprop, Michael Hordern is an unrivalled Sir Anthony. Peter Wood directs. (928 2252).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3686).

The Roaring Girl (Barbican): Jacobean comedy by Middleton and Dekker with Helen Mirren as the eponymous vagabond in a spirited production by Barry Kyle now playing in tandem with last year's The Taming of the Shrew from Stratford-upon-Avon. (628 8795).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

NEW YORK

Showboat (Gershwin): A clever pastiche of vaudeville and theatre works like magic in the story of life on the Cotton Blossom where shows plied the Mississippi and provided unrivalled entertainment, especially with this production's outstanding feature performers giving heart-felt renditions of the 1927 Kern-Hammerstein songs like Ol' Man River, Bill, and Life Upon the Wicked Stage. (51st W. of Broadway, 586 8510)

Brighton Beach Memoirs (Alvin): As usual, Neil Simon is more funny than touching even when recalling painful puberty in 1937 as his family struggles with the Depression, with an excellent cast led by Matthew Broderick as the aspiring teenage writer. (757 8646).

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in New York dockland. Tony LoBianco may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Carrie Fisher enliven a somewhat over-written clash of ideologies. (246 4636)

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National *Theatre production of Mozart's life.* (247 0472)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a *transfigured stage* in this lavish re-creation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women re-opens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)

On Your Toes (Virginia): Natalia Makarova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

WASHINGTON

Buried child (Kreeger): Vintage Sam Shepard, a 1979 Pulitzer Prize winner, recounts a family reunion in which the returning son is not remembered by the rest of the family and garbage ends up on the floor. (Arena, 488 3300)

CHICAGO

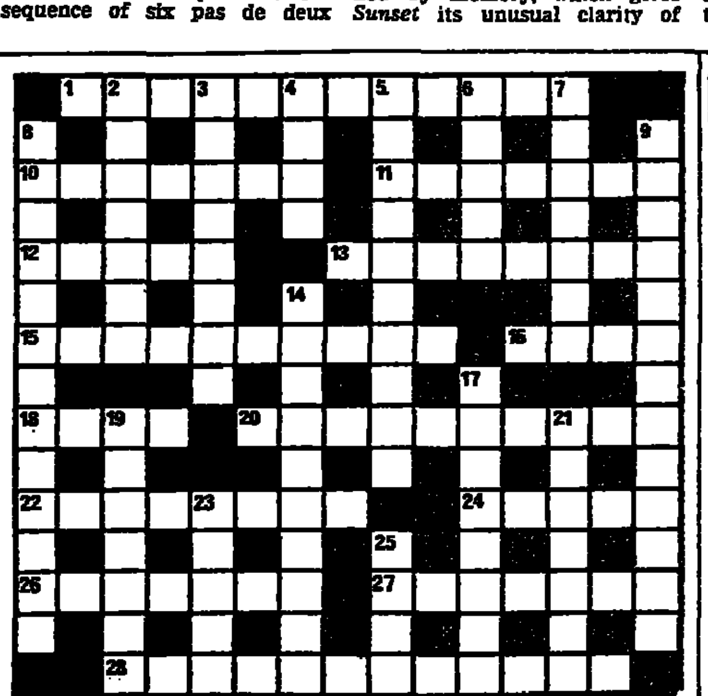
The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

Gardenia (Goodman) John Guare picks a post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying to set down roots in innocence.

Red River (Goodman Mainstage): Robert Woodruff directs David Mamet's translation of Pierre Laville's speculation on the lives of Bulgakov and Mayakovsky as the two Soviet writers struggle for their lives and work. (443 3800).

F.T. CROSSWORD PUZZLE No. 5,174



ACROSS

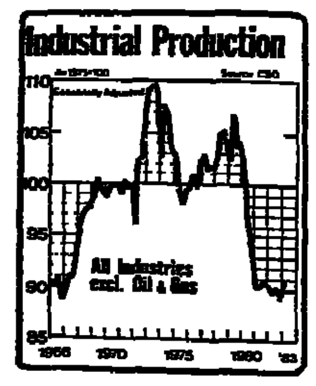
1 Something to eat at a wedding? (4, 2, 6)
10 Andersen has a way to see Parliamentary report (7)
11 Mariner's ice as green as this (7)
12 Do not declare staff (5)
13 Correct way I go in pursuit (8)
15 Ant messing around but there's a mission (10)
16 Difficult problem for a sand-piper (4)
18 Worker building section by the road (4)
20 Warning shout of course shuts bars (10)
22 Firm companion? (4-4)
24 Demand as a right—many object (5)
26 Flower crossed irrevocably (7)
27 Helping a person's destiny (7)
28 Businesses unable to return first-class plant (12)

DOWN

2 Girl has a set-up for one year's income (7)
3 I go into a garden troubled by sewerage system (8)
4 Folk song—no support for the craze (4)
5 Replace phone and journalist becomes generous (4-6)
6 Deliveries finished to a second (5)
7 Group on new basis has money for gin cocktail (7)
8 Scott's coloured midget (3, 5, 5)
9 Public notice break in programme maybe (13)
14 Fresh cream in pot has significance (10)
17 Choose boy having type of camera (8)
19 Snack — lightly cooked portion (7)
21 I wish a student could change the language (7)
23 Came possibly to entertain a hundred in a holy City (5)
25 Impressive origins of early porcelain in China (4)

Solution to Puzzle No. 5,173

FINANCIAL TIMES
Wednesday May 18 1983



British recovery falters

By Jeremy Stone in London

BRITISH industrial production fell slightly in March, according to official figures released yesterday. This dampened hopes that recovery might be gathering speed after a more encouraging figure in the previous month.

The trend for the first three months of the year still appears to be upwards. The March figure will be disappointing to the Government as it underlines the relative weakness of the recovery that has occurred so far.

A belief of many Conservatives that economic revival was under way was one of the arguments put strongly to Mrs Margaret Thatcher, the Prime Minister, by those who wanted an early election.

Mr Len Murray, general secretary of the Trades Union Congress, said: "These figures give the lie to all the exaggerated and over-optimistic claims about an industrial and economic recovery. They must be very inconvenient for the Government."

In the first quarter of 1983 both manufacturing output and overall industrial output were about 1½ per cent higher than in the fourth quarter last year.

Although stock figures have yet to be released, the underlying level of output, adjusted for stock changes, is said to be running about 3½ per cent above its low point in the second quarter of 1981.

The 0.9 per cent fall in industrial output in March is partly due to an implied fall in North Sea oil output, but it also includes some setbacks in manufacturing, where food and drink production fell nearly 8 per cent between January and March.

This result was in line with the Confederation of British Industry's trends survey last month, showing this sector to be one of the few to be feeling less optimistic than before.

The index of manufacturing output fell 0.2 to 88.3 (1975 = 100) after the February fall of 1.3. In the latest figures the chemical industry made a particularly strong gain of 3.8 per cent while engineering was static.

Commentators yesterday cautioned against interpreting the March figures as an indication that the recovery was running aground.

The output statistics are heavily revised from month to month, while the "lumpiness" of some production cycles means the monthly figures are inevitably erratic, since work in progress in one month may be recorded in later months.

● Improvements in domestic and export orders, production levels and investment intentions are recorded in the London Chamber of Commerce and Industry's latest trends survey published yesterday, **Alan Pike writes**

But a warning is given that it would be "rash to conclude that this amounts to a genuine and sustained economic recovery."

It says that any suggestions of an upturn must be qualified by the fact that order, investment and production improvements are all taking place from a very low base. The survey suggests that unemployment and output prices of large companies are set to increase.

POLITICAL CONTRASTS

In Britain's general election, voters are being offered the biggest contrasts in policies for half a century. An analysis of how the political parties differ is on Page 10. Also on Page 10, Labour Party leaders deny that their planned increase in public-sector borrowing to stimulate the economy would inevitably drive up interest rates.

Syria cuts telephone and road links with Beirut

BY PATRICK COCKBURN IN DAMASCUS, NORA BOUSTANY IN BEIRUT AND STEWART DALBY IN JERUSALEM

SYRIA CUT road, telephone and telex links with Beirut yesterday in a sharp demonstration of its hostility towards the U.S.-sponsored Lebanese-Israeli troop withdrawal agreement signed at two ceremonies earlier in the day.

The ceremonies – at Khalde in Lebanon and Kiryat Shmona in Israel – ended five months of laborious negotiations. Signing of the agreement was welcomed by President Ronald Reagan of the U.S., who called on Syria and the Palestine Liberation Organisation also to withdraw from Lebanon.

But Mr Abdul Halim Khaddam, Syria's Foreign Minister, reiterated his country's opposition to the agreement, insisting that Syria would not withdraw any of its troops.

Officials in Damascus have said Syria will do everything possible to weaken President Amin Gemayel after his agreement with Israel, and yesterday's intensification of Syrian pressure could have serious consequences if prolonged. Lebanon can reach its export markets in the Arab world only by passing through Syrian territory.

Israeli officials stood by their assessment that the troop withdrawal agreement was unlikely to be implemented in the near future. Israel has always said it would not withdraw its occupying force of 25,000 men until Syria pulled out its estimated 35,000 troops and the 8,000 PLO guerrillas also agreed to leave.

But the Israelis continue to believe the Syrians will eventually be prevailed upon to leave through the diplomatic process. Officials feel the U.S. will return to bargaining to bring pressure on Syria's financial backers, notably Saudi Arabia. The Saudis issued a guarded expression of support yesterday for the troop withdrawal agreement.

Mr Antoine Fattal, Lebanon's chief negotiator, emphasised that the agreement with Israel was not an end in itself and that its implementation was what really mattered. "Lebanon and Israel have a responsibility to tackle the obstacles still on the horizon," he said.

This was acknowledged by Mr David Kimche, the chief Israeli negotiator, who described the accord as "an important first step on the road to peace." He specifically denied that the agreement was a formal peace treaty between the two countries.

Mr Morris Draper, the U.S. special envoy, described the signing as "historic", and quoted Winston Churchill as saying: "If we open a quarrel between the past and the present, we shall find we have lost the future."

Despite a hearty triple handshake by Mr Fattal, Mr Kimche and Mr Draper, the ceremonies were far from festive.

The Syrian action in stopping traffic on the Beirut-Damascus highway is thought to be rare, although the Israelis have been known to cut the road from their positions near Beirut when there is factional fighting in the area.

Agreement highlights, Page 7

£50m Watney issue brings new life to UK corporate bonds

BY DOMINIC LAWSON IN LONDON

WATNEY Mann & Truman, the wholly owned brewing subsidiary of Grand Metropolitan, yesterday breathed some life into the British corporate bond market. It announced that it was raising £50m ($77.85m) through the placing of a secured redeemable debenture stock dated 2008.

The stock was priced to yield a margin of 1.25 percentage points over the gross redemption yield on 13½ per cent Treasury Stock 2004/2008 at 3pm yesterday. On this basis the gross redemption yield on the Watney stock is 12.14 per cent.

Mr Michael Orr, finance director of Grand Metropolitan, the UK-based hotel, drinks and leisure group, said yesterday: "We need to replace some of our bank borrowings by fixed-rate borrowings."

Mr Orr pointed out that Watney Mann had short-term borrowings of more than £35m and that, in the first instance, those would be repaid. The remainder of the £50m proceeds would be lent to Grand Metropolitan for group purposes.

On Monday Grand Met pleased the City of London with its announcement of a 52 per cent leap in interim pre-tax profits to £113.6m.

Mr Orr said Grand Met's net borrowings were £819m at the last balance sheet date, equivalent to about 55 per cent of shareholders' funds. "Today's issue in no way effects our gearing. We are simply replacing one set of borrowing with another."

Mr Orr admitted that the calling of the general election might have moved terms slightly against Watney, which planned the debenture early in the year. It is believed that some institutions did not apply for the stock because they did not want to take on any additional commitments just before the election.

Mr Eric Corben of brokers Gilbert Eliott said yesterday however: "This is the sort of old-fashioned debenture that the City likes. When dealings start there should be a premium."

Last September, when BOC, the British industrial gases group, became the first manufacturing company for almost a decade to issue fixed long-term debt, it was felt that there would be a revival of activity in the long-term corporate bond market.

Lex, this Page

Private banks in Catalana takeover

By David White in Madrid

SPAIN's main private banks have won their last-minute bid to take over Banca Catalana, the Catalan industrial banking group which collapsed last autumn.

The Deposit Guarantee Fund, which has managed the bank and its subsidiaries in the interim, announced yesterday it had accepted the terms of an offer by 12 main banks and four of their local offshoots. The terms are understood to be based on a price of Pta 15bn ($108.7m) for Catalana's capital, with the authorities providing financial concessions to help refloat the group.

At the same time Banco de Credito e Inversiones, one of the banks controlled by Catalana, is to be absorbed by the Banco Central group, which was among several bidders. Terms of the deals were not disclosed last night. The banks' joint offer was preferred to the Catalan Savings Bank La Caixa, which put in the first serious bid.

The decision faces strong opposition from unions and from Catalan Socialists who had pressed for absorption into the public sector sector or for takeover by La Caixa in order to keep the group in Catalan hands.

La Caixa and the group of banks both presented improved offers to the fund over the weekend. The banks were understood to be seeking more modest aid input from the authorities than the savings bank. Two other banks previously controlled by Catalana have already been hived off to other groups; Banco de Alicante to the State-controlled Banco Exterior and Banco de Gerona to the private March group.

Japan faces loss on Iranian oil purchases

BY RICHARD JOHNS IN LONDON

JAPANESE trading companies are facing a loss on their sales of Iranian oil to refiners who are resisting official selling prices and refusing to pay more than spot-market rates.

Nevertheless, the 11 traders involved are likely to sign new agreements for 210,000-220,000 barrels a day, valid from the beginning of May or June, in order to keep a foothold in what is still regarded as an important Middle East market. So far C. Itoh and Marubeni are known to have renewed deals.

The volume is less than the 300,000 b/d covered by the old contracts but more than is justified by market demand.

The traders are, in effect having to offer a discount to the refiners in line with spot market rates, which for Iranian Light are currently about 30 cents under the official selling price of $28 a barrel.

The refiners' resistance has contributed to the long deadlock in oil negotiation between the trading houses and the Iranian National Oil Company

In an attempt to make up for losses on oil sales, the Japanese are trying to maximise exports to Iran under counter-purchase agreements.

But the Iranians have shown reluctance to increase their commitments. Japanese exports to Iran were worth $934m in 1982 compared with $1.48bn in 1981. Imports from Iran rose to $2.56bn from $1.92bn in 1981.

Japanese refiners became used to paying spot-market rates before the Organistion of Petroleum Exporting Countries (Opec) agreed on its pricing and production pact in March.

This allowed Iran to charge prices at a reasonable level below the collective structure to take account of high insurance premums and extra shipping costs because of the Gulf conflict.

Nigerian trade payment arrears may worsen

Continued from Page 1

Mr Rivett said that although British exports to Nigeria fell by 40 per cent between the first quarter of 1982 and the same period of 1983, there were signs that British goods were winning a larger share of the shrinking market.

British trade fell from £1.5bn in 1981 to £1.2bn in 1982, or some 20 per cent, but in the same period Japanese exports to Nigeria fell by more than 40 per cent, the audience was told.

One explanation was that British exports were less tied to projects, which have been most drastically affected by the slowdown in economic activity in Nigeria.

Nigerian imports have been cut because of the slump in its oil production from more than 2m b/d in January 1981 to barely half that level today. However, the payments arrears have built up because imports have not declined fast enough, despite the introduction of licences for about 250 categories and large import deposits.

Bank chief urges France to tighten credit

By David Housego in Paris

THE French Government has been urged by M Renaud de la Genière, the governor of the Bank of France, to tighten credit policy and cut the public sector deficit.

In his introduction to the Bank's annual report, published yesterday, M de la Genière also supported France's staying in the European Monetary System and resisting protectionist pressures – issues about which ministers are still arguing.

The introduction is the one occasion in the year on which the governor traditionally makes a personal appraisal of the economy. M de la Genière was appointed in the time of President Valery Giscard d'Estaing, and is known to have had many reservations about the policies followed since May 1981. At the same time, however, he has formed a close working relationship with M Jacques Delors, the Finance Minister.

M de la Genière says that although the growth of the money supply last year was only 12 per cent, below the government's target, credit surged ahead because of the public sector's need for money.

M de la Genière says that the rapid growth of credit helped exacerbate both the inflation rate and the trade deficit. He warns that the overall demands of the public sector – the Government's own budget and those of the local authorities, social security and the public utilities – are absorbing an increasingly large part of the national wealth to the detriment of industry.

The budget deficit this year is expected to reach FFr 118bn ($15.9bn) but the total public sector deficit could be at least FFr 30bn higher.

BIS to grant no more bridging loans

THE Bank for International Settlements (BIS) will grant no more bridging loans to countries seeking short-term funds as a step towards a permanent adjustment programme, according to European central bankers attending the International Monetary Conference in Brussels, Reuter reports.

The six bridging loans organised by the BIS recently in response to the international debt crisis threatened to change the nature of the bank, they said. Any country's request, however, to alter the terms of an existing arrangement would be considered.

Since Mexico's debt crisis last August, the BIS and the International Monetary Fund (IMF) have followed a more flexible response to requests for aid in order to encourage commercial banks to provide fresh funds for national borrowers and avert the threat of official default or banking collapse.

U.S. and European commercial bankers at the conference commented that any refusal by the BIS to continue to play the bridging role, which is designed to help agreement on a readjustment programme between the IMF and debtor countries, could place increasing strains on their lending.

Mr James Wolfensohn, now an independent investment adviser but formerly of Salomon Brothers, said later that if the BIS makes no new bridging loans, the problems of sovereign borrowers will have to be solved case by case from expanded IMF funds and through continued bank financing.

Bonn delays EEC summit

Continued from Page 1

Francesco Cossiga, Italy's Prime Minister, the host, tried to buy time to avert a big row during her first campaign for a cut in the UK's budget payments. When it was held, in April, the summit was a testy affair, but it did lay the ground for Britain's first budget rebate deal

● A second important meeting, the Council of Industry Ministers, planned for May 25, has also been postponed, writes Paul Cheeseright in Brussels. The meeting was to discuss how the system of crisis controls for the steel industry should be continued after the end of next month.

Commission officials said the postponement was because of the British election. But the idea of postponement was circulating before the election date was announced.

The request for postponement went to the German presidency from the Commission. It was agreed because the steel meeting is considered so important that it should not take place with inadequate preparation.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	21	70	Dubrovnik	S	26	79	Malaga	S	22	72	Salzburg	S	27	81
Akrotiri	F	24	75	Faro	F	20	68	Malta	S	27	81	Seoul	S	21	70
Algiers	S	24	75	Florence	S	24	75	Manila	S	38	100	Singapore	R	31	88
Amsterdam	F	15	59	Frankfurt	R	19	66	Miami	C	28	82	Stockholm	C	18	64
Athens	S	27	81	Funchal	C	19	66	Milan	F	20	68	Strasbourg	S	19	66
Bahrain	S	35	95	Geneva	F	18	64	Moscow	F	19	66	Sydney	R	17	63
Bangkok	S	37	99	Gibraltar	S	20	68	Munich	S	24	75	Taipei	C	28	82
Barcelona	F	20	68	Guernsey	R	11	52	Nairobi	–	—	—	Tangier	S	20	68
Beirut	S	26	79	Helsinki	F	17	63	Naples	S	24	75	Tehran	–	—	—
Belgrade	S	29	84	H. Kong	S	26	79	New Delhi	S	39	102	Tel Aviv	S	25	77
Berlin	S	22	72	Innsbruck	S	22	72	New York	F	13	55	Tenerife	C	22	72
Biarritz	S	16	61	Inverness	C	9	48	Nice	S	19	66	Tokyo	S	24	75
Blackpool	F	14	57	Istanbul	F	19	66	Oporto	C	14	57	Toronto	C	11	52
Bordeaux	F	15	59	Jersey	S	21	70	Oslo	C	14	57	Tunis	S	24	75
Brussels	F	15	59	Jo'burg	F	13	55	Paris	F	16	61	Valencia	S	22	72
Budapest	S	29	84	Las Palmas	S	21	70	Prague	S	23	73	Venice	S	25	77
B. Aires	C	19	66	Lima	S	28	82	Reykjavik	F	10	50	Vienna	S	27	81
Cairo	S	31	88	Lisbon	S	16	61	Rio de J'o	C	33	91	Warsaw	S	30	86
Cape Town	–	—	—	Locarno	C	17	63	Rome	S	24	75	Zurich	S	21	70
Caracas	C	26	79	London	R	10	50								
Casablanca	F	20	68	Los Angeles	S	24	75								
Copenhagen	F	15	59	Luxembourg	R	15	59								
Corfu	S	25	77	Madrid	C	15	59								
Dublin	C	11	52	Majorca	S	22	72								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Accord on farm prices

Continued from Page 1

Mr Peter Walker, the British Farm Minister, was delighted that the Commission's proposals had survived with little change and did not deny suggestions that the package would help the UK Government in its election campaign to convince voters that it was effectively controlling EEC expenditure.

Britain's National Farmers' Union said that "in the circumstances it was a good agreement, given the current political climate against increasing EEC spending."

The general euphoria was severely dampened, however, by the knowledge that even this "prudent" price rise might not avert a possibly serious EEC financial crisis next year.

Mr Dalsager said the budgetary cost of the farm price award would be modest, but he confirmed that the Commission would produce within the next few weeks a proposal for a supplementary 1983 budget of between $1.39bn and $1.86bn, to cover unforeseen agricultural spending this year.

He also admitted that next year's proposed $15.34bn agriculture budget might already be insufficient

THE LEX COLUMN

BTR redraws its boundaries

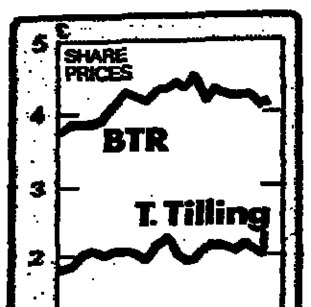
Having cleared the Cockfield hurdle, the only political obstacle facing BTR in its pursuit of Thomas Tilling is the Thatcher factor. With that in mind, it has pushed out a higher offer in time to lapse or go unconditional before June 9. As a further precaution the cash terms have been made much more competitive with the equity offer, so Tilling will find it hard to snatch victory from a stock market suffering from electionitis.

With almost all its cards now on the table BTR was able to pick up more shares in a few hours yesterday than it managed during all the earlier days of dawn, noon and dusk raiding. It has established a momentum which Tilling, with its very ambitious profits forecast already behind it, will find hard to interrupt.

Tilling has admittedly had time to prepare its ground and a quick disposal would not be surprising. But it cannot go too far down this path without undermining one of its own main arguments – that BTR would fund the acquisition in part through the sale of undervalued assets.

Full acceptance of the cash offer would certainly leave the enlarged group financially stretched. On a pro forma basis net debt might be equivalent to 90 per cent of shareholders' funds. But there is sure to be scope for cosmetic asset revaluations, interest cover is respectable and Tilling will have to do a fair bit worse than its forecast £95m pretax before BTR shareholders are faced with significant earnings dilution.

In practice many institutions will in any case want to take BTR equity for capital gains and portfolio weighting reasons alone. Tilling will doubtless carry on arguing about the value of its assets, but the company's disgruntled shareholders are only too aware that, in recent years they have barely perspired, let alone sweated. The task ahead of Tilling is a daunting one.



Whitbread

Since the UK beer market abruptly stopped growing three years ago, Whitbread has steadily cut capacity in its attempt to cling on to margins. Another 1800 jobs went last year at a cost of around £11m, and, with the help of a small price increase, the company appears to have held the line on beer profits. But the accompanying diversification into food and drinks distribution has taken its toll on the trading performance, and margins fell from 8.2 per cent to 7.5 per cent for the year to February.

At the pre-tax level, profits emerged 10.5 per cent up at £81m, but the underlying improvement was less flattering: the figures embrace a switch to equity accounting for associates of which around £1.5m was contributed by new acquisitions.

The acquisitions and the development of the food chain mean that 40 per cent of Whitbread's business is now in non-beer areas, with a significant proportion overseas. Last year's spending spree led to a cash outflow of around £50m, but net debt still emerged at only around 24 per cent of shareholders' funds, and it clearly has room for more diversification if it still has the appetite. The market, however, would have to be convinced that it had digested what it had already gobbled up and the shares fell 1p to 137p yesterday, where they yield 5.8 per cent.

Watney Mann

Just when it was starting to look safe for the authorities to step back into the long end of the gilt-edged market, corporate bonds have staged a revival. Grand Metropolitan has popped up with the kind of straightforward issue which fed the corporate bond market in its earlier incarnations. No warrants or fancy currency options here. The group's restructured brewing subsidiary, Watney Mann & Truman, is raising £50m of 25-year money secured by a floating charge on net assets.

Grand Met likes to keep at least 50 per cent of its debt in fixed-rate form, not least because its frequent acquisitions have a habit of pushing floating-rate funds to levels which leave it uncomfortably exposed. With a chunk of its old loan stocks on the point of redemption, an issue now helps to restore the balance.

The company might have saved itself perhaps a point of gross redemption yield by tapping the market last autumn and the spread of 1.25 per cent over the comparable gilt-edged looks on the generous side, given the present appetite for long-dated stock, the absence of an early redemption feature and the strength of the capital and income cover. Pension funds may find it particularly attractive now that they should be able to hedge in a tax-efficient way against a shortage of liquidity in the stock through the gilt futures contract.

So Grand Met might have escaped with a gross redemption yield marginally below the 12.14 per cent it is paying. But, for a group with around £820m of net debt, a good name in the markets is probably worth more than a fractional interest saving.

LBI

Within a month of the publication of the foreign currency accounting standard, SSAP 20, Lloyds Bank International has hastened to become the first major company to conform to its provisions. The main change as a result of the standard for LBI is that adjustments to working capital, as well as to fixed assets, are made directly to reserves rather than through the profit and loss account. The new approach makes an appreciable difference. In the six months to March about £8m has gone to reserves and not been reflected in pre-tax profits as it would previously.

The hyper-inflation provision in the standard could have been designed with LBI's exposure to Latin America in mind. The bank has used the flexibility to net out inflation from interest rate earnings in the affected countries. The extent to which the exchange rate has not moved in line with inflation is then taken directly to reserves.

The LBI involvement in Latin America is also the reason for its decision to continue using the closing rate of exchange rather than an average rate – in contrast to Barclays' practice. Both options are allowed under the standard, although exclusive application of the average rate was backed at the exposure draft stage. The greater flexibility of the standard certainly makes sense in the context of LBI's Latin American business. In these currencies the bank cannot hedge positions, while exchange controls mean that remittances can only be made at the end of trading periods.

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Wednesday May 18 1983

Montedison in $600m venture with Hercules

BY RICHARD LAMBERT IN NEW YORK

TWO OF THE world's biggest manufacturers of polypropylene resins are to combine their businesses in a new joint venture which will incorporate cost-saving new technologies.

Hercules, a leading U.S. chemical company with annual sales of $2.5bn, and Montedison of Italy, which has total sales of $6.2bn, have signed a letter of intent to from a 50-50 worldwide joint venture company that will combine the major part of their existing polypropylene resin businesses and assets.

The new company will have annual sales of around $750m and assets of about $600m. It will have the capacity to produce 2.5bn pounds a year of polypropylene resin – used to make plastic products for the construction industry and domestic use – from plants in the U.S., Canada, Italy and Belgium.

Hercules, which claims to be the world leader in this product, will contribute 1.65bn pounds of the combined capacity, including two plants in the U.S., one each in Canada and Belgium, and a 50 per cent share in a propylene splitter in the U.S.

Montedison will put in 850m pounds of annual capacity, made up of four plants in Italy and a share in a joint venture in Belgium.

In addition, the deal will give Hercules access to advanced new technology developed by Montedison in conjunction with Mitsui

Dr Mario Schimberni, president of Montedison, said in New York yesterday that the technology, based on a new class of high yield catalysts, produced substantial savings in energy and raw material costs. The final product cost could be reduced by 8 cents a pound or around 20 per cent, he said.

The different contributions made by the two companies to the joint venture in terms of capital and technologies will be equalised by a payment of slightly less than $100m in cash and securities by Montedison to Hercules.

The two companies already have smaller joint venture links. These consist of a polypropylene fibre manufacturer in Italy, which will be put into the new joint venture, and a pharmaceutical operation in the U.S., Adria Laboratories.

Mr Alexander Giacco, chairman of Hercules, said that Hercules planned to swap its 50 per cent ownership in Adria for an equity interest in Montedison's consolidated pharmaceutical and health care business.

Mr Giacco said that the polypropylene joint venture would combine Hercules' marketing strength with Montedison's production abilities.

Mr Giacco will be chairman of the proposed new company, and Dr Schimberni will be vice-chairman. Yet to be named, the company will have its headquarters in the U.S. The hope is that final agreements can be prepared by the end of June, and the deal could be finalised around the end of this year.

Dome back to profit in quarter

By Nicholas Hirst in Toronto

DOME PETROLEUM of Canada yesterday reported net income for its third quarter of C$7.2m (U.S.$5.85m) equal to 2 cents per common share. In the same period of 1982, Dome made a loss of C$21.6m, or 11 cents per share.

Revenue for the period was C$679.5m, down from C$743.4m a year earlier. Long-term debt, including debt repayable within the year, is now C$6.35bn, the company said, compared with C$6.5bn at the end of 1982 and a high of C$7.1bn in April last year.

Last September Dome agreed in principle to a C$1bn rescue package with its four main Canadian lenders and the Canadian federal government. Details of the package are still being worked out.

Dome Canada, the exploration and development affiliate of Dome Petroleum, reported first-quarter net earnings of C$9.5m (U.S.$7.7m), or 11 cents a share, down sharply from C$18.1m, or 20 cents, in the 1982 period.

Revenues rose from C$23.3m to C$32.3m, due mainly to increased sales of petrol and natural gas.

BP in joint oilsands plan

BP EXPLORATION of Canada is to spend C$208m in a joint venture with Petro Canada, the state-owned oil company, to develop a 7,000 barrel a day oilsands project in the province of Alberta.

The oil produced will be sold for asphalt and will not be upgraded on site.

Pacific writes off $81m on N-plants

BY PAUL TAYLOR IN NEW YORK

PACIFIC Power and Light, the Oregon-based diversified electricity utility, is to take a $81m write-off against its second quarter earnings because of its investment in three troubled nuclear power projects.

Mr Don Frisbee, chairman, said the board had approved allowances for the "unrecoverability" of substantial investments in a cancelled Washington Public Power System project, the cancelled Pebble Springs project in Oregon and the Skagit-Hanford project, which was excluded from a 20-year plan for the Pacific North-West.

Mr Frisbee said the write-off, reducing earnings per share in the second quarter by about $1.50, would "remove a cloud of financial uncertainty."

In the 1982 second quarter, Pacific Power reported earnings of $40.7m, or 61 cents a share. The company still expects to report 1983 earnings of at least $2.16 a share, sufficient to maintain the current annual dividend, thanks to Pacific's non-electricity businesses.

Mr Frisbee said: "It is only because of the earnings contributions of our telecommunications and mining and resource development businesses that we are able to substantially resolve the nuclear question and stay in business."

Pacific Power had a 29.4 per cent interest in Pebble Springs and a 10 per cent interest in the Washington project, representing an investment of about $47m.

Pacific's decision to write off these investments is the latest evidence of the U.S. nuclear power industry's plight.

Bad debt provisions hit Belgian bank

BY PAUL CHEESERIGHT IN BRUSSELS

HEAVY PROVISIONS against international credit risks have cut into the increased operating profits of Kredietbank, Belgium's third largest bank, and left its net profits for the year to last March fractionally down on 1981-82.

The bank is maintaining its dividend at BFr 365 ($7.45), it announced yesterday.

Gross operating profits rose by over 14 per cent to BFr 8bn ($163m), which was BFr 999m more than the previous year. But net profits were BFr 1.7bn compared with BFr 1.76bn in 1981-82.

The amount the bank is putting aside for depreciation is BFr 5.49bn, against BFr 1.2bn from this time last year. Of that overall figure, BFr 4.5bn concerns loans in general, but primarily international credit risks.

This concern with international problems contrasts with the improvement in the conditions of the domestic economy, which have already been reflected in the financial results of other banks.

The turnround in interest rate trends lifted the amount the bank received in commission and interest by 13 per cent to BFr 2.1bn.

Economic recovery lifts U.S. retailers

By Our Financial Staff

FOUR major U.S. retailers showed healthy earnings increases in the first quarter ended April, thanks to the strengthening U.S. economy and an increase in consumer spending.

K-mart Corporation showed a sharp recovery in the first quarter, when net earnings were more than seven times higher, at $44.6m, or 35 cents a share, than last year's $5.9m, or 6 cents with sales up more than 9 per cent at $3.93bn, against $3.6bn.

Last year's first-quarter profits represented a particularly low point in the Michigan-based Troy company's fortunes. It had been hit by inflation and reduced demand, and for the whole of 1981 had reported its lowest earnings since the mid-1960s.

The company, however, staged a dramatic recovery in last year's second quarter, and maintained the improved trend for the rest of the year, recording increased profits for the whole of 1982-83.

Dayton Hudson, the diversified Minneapolis-based retail group, with 980 stores in 47 states, continued its improved profits trend in the first quarter. Operating net earnings rose from $16.48m, or 34 cents a share, to $21.73m, or 45 cents, on revenues ahead from $1.12bn to $1.37bn.

Final net earnings in the latest quarter are only slightly ahead at $22.68m, or 47 cents, compared with $21.75m, or 45 cents.

Like K-mart, Allied Stores, another leading U.S. retailer, also showed a sharp increase in first quarter net earnings from $2.37m, or 12 cents, to $13.09m, or 63 cents.

May Department Stores, which is in the throes of a $1bn five-year expansion programme, followed the trend with net profits up 76.5 per cent at $20.3m, or 70 cents, against $11.5m, or 40 cents.

Comsat to relay NBC programmes

By Our New York Staff

Communications Satellite Corporation, (Comsat) the U.S. satellite-based communications services group, has agreed to begin distributing network programmes for National Broadcasting Company (NBC) from the start of next year.

The agreement will mark the first use of satellites for distributing television network programmes. Initially the agreement will provide programmes to 24 local affiliate stations of the RCA subsidiary and will later be expanded to cover all NBC affiliate stations by September 1984.

Comsat's Comsat General Unit will be the system owner and operator.

COSTLY STRUCTURAL CHANGES LAY GROUNDWORK FOR IMPROVED PROFITS

Bayer chief's cautious optimism

BY JOHN DAVIES IN LEVERKUSEN

BAYER, the West German chemical and pharmaceutical group, is confident that costly structural changes started last year have laid the groundwork for improved profits. But it is cautious about prospects for this year because of the worldwide recession.

Professor Herbert Grünewald, chief executive, said there were signs of improvement in recent months, including an uplift in the group's sales and profits in the U.S. and increased sales and capacity utilisation in West Germany.

He pointed out, however, that high unemployment was still inhibiting consumer demand and that developments in the next few months would give a clearer indication of likely results this year.

Bayer and the other two big West German chemical groups, Hoechst and BASF, all suffered a serious setback in earnings last year and have cut their dividends. Bayer made the heftiest cutback – from DM 7 ($2.8) to DM 4 per DM 50 share.

Prof Grünewald said Bayer decided to clear the decks with major restructuring measures and not to call on reserves to maintain its dividend.

He said that reorganisation of Bayer's U.S. operations and of Agfa-Gevaert, its troubled photographic subsidiary – together with currency losses in Mexico – all added up to a DM 300m burden on the group last year. In addition, the parent company absorbed Agfa-Gevaert's DM 200m loss on its operations within Germany.

Bayer also paid more taxes last year than in 1981 even though its pre-tax earnings were lower. The parent company paid more non-income-related tax, while losses in the U.S. and Mexico could not offset tax to be paid on profit in Belgium.

Prof Grünewald said that intensifying competition in the amateur photographic business confirmed that Bayer was right to end such business at Agfa-Gevaert, which has moved more into electronics with the purchase of a majority stake in Compugraphic of the U.S.

He said that Bayer's chemical and pharmaceutical operations in the U.S. had done relatively well despite bleak conditions. Some loss-making areas were abandoned and the pharmaceutical operations of Miles and of Cutter were being streamlined through a merger of the companies.

Following these moves, he expected the U.S. subsidiaries and Agfa-Gevaert to make a "high positive contribution" to Bayer group profits this year.

Prof Grünewald said that the parent company's sales reached DM 3.84bn in the first quarter of this year.

The group's worldwide sales in the first quarter were up 2.5 per cent at DM 8.98bn, but were roughly unchanged if sales of the recently acquired Compugraphic were excluded.

In the whole of last year, Bayer's group worldwide pre-tax earnings were down 31 per cent at DM 970m, and its earnings after tax were 88 per cent lower at a mere DM 64m. The parent company's pre-tax profit was 14 per cent down at DM 735m and its profit after tax was down 34 per cent at DM 264m.

The group was continuing its emphasis on areas of highly developed products, such as pharmaceuticals and crop protection materials, which now made up a larger share of sales revenue than 10 years ago.

Research was becoming increasingly expensive, he said. Bayer estimated it now cost more than DM 150m to develop a new pharmaceutical product, compared with less than DM 100m a few years ago.

Hoffmann-La Roche still improving profits

BY JOHN WICKS IN BASLE

THE Hoffmann-La Roche group should improve its profitability further this year, according to the company's chairman, Mr Fritz Gerber. This would follow a rise in consolidated earnings to a record SwFr 281.2m ($137.8m) last year.

In the first four months of 1983, group turnover had risen by 13.3 per cent in Swiss Franc terms or by 15.5 per cent when expressed in local currencies, even excluding business in high-inflation countries such as those of Latin America.

This increase was, however, due partly to the acquisition last year of two U.S. companies, Biomedical Reference Laboratories and Consolidated Biomedical Laboratories, as well as the British animal nutrition firm, Colborn-Dawes.

Excluding these and the cosmetics division, which Hoffmann-La Roche sold to the Richardson-Vicks group, consolidated turnover would have risen by 6.6 per cent.

In calendar 1982, group turnover had risen 4.9 per cent to a record level of SwFr 7.1bn.

For the year as a whole, Mr Gerber forecast that earnings would improve thanks to the introduction of new products and better control over costs, though he added that much would depend on the development of exchange rates.

Mr Gerber said the group had spent more than SwFr 200m in tackling the results of the explosion at the Seveso plant of the Roche subsidiary, Icmesa, in northern Italy in 1976 and would be faced with spending even more.

Oerlikon forecasts little improvement

BY JOHN WICKS

OERLIKON-Buehrle, the Swiss-owned industrial group, expects no marked improvement in sales or profits this year, according to Dr Dietrich Buehrle, chairman and managing director. In 1982, the concern had booked a drop in earnings from SwFr 23.9m ($11.7m) to SwFr 9.5m after a 4.8 per cent increase in consolidated sales to SwFr 4.18bn.

Dr Buehrle said it was not intended to transfer any further development costs to the balance sheet in 1983. In the past two years, expenditure on the development of the Adats guided-missile system of SwFr 100m and SwFr 75m respectively, had been converted into assets in consolidated accounts. Without these sums, the group would have shown a net loss in each year.

He said that it would not be easy to repeat the recorded net profit figures of 1981 and 1982 without transactions of this kind.

Dr Buehrle said that in the military products sector, which last year accounted for 30.8 per cent of group sales, turnover and earnings should be better than in 1982. But he said capacity cutbacks would still have to be carried through.

He said there was no sign of any improvement in the machine tool sector and 1983 budgets for this division had already been lowered. No major improvement in business is anticipated in the welding division were several cost-reduction programmes will be carried out.

Balzers, the Liechtenstein-based high-technology division, expects a 4 to 5 per cent rise in turnover and better capacity utilisation rates.

Paul Taylor takes a look at Wall Street changes

AT & T carves new funding paths

SINCE JUNE 1981 American Telephone and Telegraph, the U.S. telecommunications giant which is in the midst of restructuring at its very roots, has raised $3.8bn in the New York equity market, with five public common share issues totalling 63.5m shares.

Offerings on this scale are without parallel. Together, they represented about 10 per cent of the value of all common stock offerings during the 21 months to March this year.

For AT & T they are the background to the hiving off of the Bell System of local telephone companies and expansion in other electronics fields.

For Morgan Stanley, the investment bank which was the lead manager for all five issues, and for its Wall Street colleagues, it has been a profitable if hectic period.

Mr Tom Saunders, Morgan Stanley's capital markets services head, describes the process as "an extraordinary accomplishment." But the flood of AT & T issues has also had wider implications. It has resulted in some novel share-offering tactics, and some hair-raising risks, as well as several records.

With the latest issue, a 17.6m share offering in March, which raised a record $1.17bn, AT & T has completed the issue programme for the moment, at least.

The first of the five issues brought the first-ever $1bn share offering in the U.S., raising $1.03bn, by way of a record number of shares—18.15m—at $57 each. It was also notable for helping to establish the use of the so-called Green Shoe option, which allows the size of the issue to be increased by 10 per cent above the initial offering, in this case by 1.65m, from 16.5m.

Since then, says Mr Saunders, this method has "become almost standard in high quality issues."

In April last year, AT & T became one of the first U.S. companies to file a registration under the then new Rule 415, or shelf registration procedure. The controversial rule allows companies to sketch out future financing plans and then to bring specific issues to the market at a moment's notice.

The following month Morgan Stanley, one of the most active campaigners against the rule, became the first Wall Street investment bank to "buy" a shelf issue. The 2m share AT & T offering was itself the first to be brought down off the shelf, leaving 8m shares on the shelf, and was to be a pointer to the impact of Rule 415.

Morgan bought the 2m shares on its own account in competition with other Wall Street investment concerns for $55.4 a share, on a day when the market price closed at $55.25 a share. Explaining the move, Mr Saunders says Morgan Stanley realised that the shelf overhang was depressing the market price.

In the event, Morgan sold the issue at an average price of about $55.65 a share. Significantly most of the issue was sold to institutions. About 30 per cent of AT & T's stock is held by institutions and the remainder by individuals. But the need to move fast and reduce liabilities resulted in the May 1982 issue being sold 95 per cent to institutions.

The remaining 8m shares remained on the AT & T shelf over June and July.

THE COURSE OF THE AT & T ISSUES

	Issue size (millions of shares) Starting	Final	Share price $	Total value $m	Wall Street spread $ a share
1981:					
June	16.5	18.15	57.00	1,035	1.55
1982:					
May	2.0	2.0	55.40	111	varied
Aug.	8.0	8.0	57.18*	457	0.795
Dec.	15.0	17.7	60.00	1,062	1.35
1983:					
Mar.	16.0	17.6	66.25	1,166	1.30

* Cum-dividend price paid by Wall Street consortium. Selling price of consortium was $56.625 ex-dividend and $57.975 cum-dividend.

● AT&T's appetite for fresh equity financing stemmed from three main factors:

● Its capital spending last year totalled about $17bn, and it said last December that the Bell System would need about $16.7bn this year for new construction.

● With AT&T stock trading upwards throughout much of the period, moving from $56¼ at the end of June 1981 to $64¼ at the end of March and setting a high of $70¼ in January, equity issues looked an attractive proposition.

● For much of the period, uncertainties over the Justice Department anti-trust settlement ruled out other forms of external financing. Issuing equity also helped AT&T reduce its ratio of debt to total capital from 45 per cent at the end of 1981 to 42 per cent after the latest offering.

Then the stock market rally arrived, however, and secondly AT&T overcame one of the major remaining hurdles in its prolonged anti-trust case.

Morgan Stanley got together with First Boston, Goldman Sachs, Merrill and Salomon Brothers. Once again one of the main factors driving the Wall Street move was a desire to clear the shelf backlog.

On August 25 the consortium led by Morgan bought the 8m block. Within 20 minutes of securing the winning bid, Morgan had lined up 21 underwriters who undertook to be responsible for 3.5m of the shares.

The five leading Wall Street firms paid $57.18 a share for the block compared with a closing price of $56.75. By 10 am the next morning they had sold the lot for about $457m.

Like the previous shelf issue, the offering was bought mainly by the institutions, with some estimates putting their share as high as 90 per cent—fulfilling one of Morgan's and other Wall Street predictions about the working of the shelf rule.

The Wall Street companies reaped a gross spread of about 79.5 cents—not to be sniffed at but considerably less than the $1.55 spread on AT&T's June 1981 issue.

In contrast, the spread was a lot higher on the December 1982 issue, a straight underwritten issue of 17.6m shares (after a Green Shoe option was partially exercised) involving 233 underwriters.

The issue was priced at $60 a share when the shares were trading at $59¾.

The December issue was almost certainly the most difficult of the five.

The most recent issue, in March, went more smoothly, probably in part because of the company's statement that it was to be the only issue this year.

The issues have involved a handful of people making the key decisions, but at Morgan alone maybe 250 people have been involved in selling the shares. "It is a matter of cranking up the distribution system," says Mr Saunders. Ultimately, this system on a major underwritten issue probably involves several thousand people to get an issue sold.

It is also a risky and fiercely competitive business. Mr Saunders, says Morgan, spent "in excess of $200m" on market stabilisation activities during the last issue.

But the rewards are great as well. Mr Saunders estimates that Wall Street is better off to the tune of about $80m as a result of the five deals.

INTL. COMPANIES & FINANCE

Suzuki Motor profits hit by motorcycle sales drop

BY YOKO SHIBATA IN TOKYO

SUZUKI MOTOR, Japan's third largest motorcycle manufacturer and its leading producer of mini cars suffered a fall in unconsolidated operating profits of 39 per cent to Y9.75bn ($41.8m) in the year to March 31, having been hit hard by a slump in sales of motorcycles in both overseas and domestic markets. Full year sales fell by 1.7 per cent to Y542.32bn.

However, because the company had a lower proportion of taxable income following cuts in depreciation expenditure, net profits improved by 20 per cent to Y6.59bn and the company has lifted the year-end dividend by Y0.5 to Y6.

Motorcycle sales fell by 24 per cent to 1,419,000 units, with domestic sales of 633,000 units, down by 20 per cent and export sales of 786,000 units, down by 26 per cent. Meanwhile, sales of cars fared well, rising by 7.8 per cent to 618,588 units with domestic sales of 466,927 units, up by 5.4 per cent and export sales of 151,661 units, up by 16 per cent. As a result of the sharp reduction in motorcycle exports, the value of total exports dropped by 10.7 per cent to account for 40 per cent of turnover.

The fall in operating profits was attributed to the fall in sales and the higher costs of sales, which outweighed foreign exchange gains, lower depreciation charges and efforts to reduce costs.

Motorcycle sales are expected to remain at 1982-83 levels in the current year in both domestic and overseas markets, but strong sales of cars are also expected to continue. The company is scheduled to introduce a one-litre car under an agreement with General Motors, which has a 5.3 per cent stake in Suzuki.

As a result, full-year sales are expected to reach Y570bn, up by 5.1 per cent, operating profits are projected at Y11bn, up by 12.8 per cent, and net profits at Y6.6bn, up by 0.2 per cent. The year-end dividend will be lifted by Y0.5 to Y6.5.

Bank of Japan first half net up 50%

TOKYO — The Bank of Japan, the country's central bank, lifted its surplus funds after costs, which is equivalent to the after-tax profits of a private-sector concern, to a half-year record Y649.7bn (U.S.$2.78bn) in the six months to March 31 from Y442.5bn a year earlier.

As a result, the bank's contribution to government coffers rose to a record Y601bn from Y387.2bn.

In its half-year financial statement, the bank said operating revenues rose to Y738.5bn from Y717.6bn and net extraordinary items, including foreign-exchange gains or losses, swung to a gain of Y141.6bn from a loss of Y6.3bn a year earlier.

The two main reasons for the rise in surplus funds were exchange gains on the bank's holdings of foreign-currency denominated assets, such as U.S. Treasury bills, due to the yen's weakness on currency markets, and an increase in Bank of Japan loans in order to offset shortages in the money market.

● Three major Japanese trust banks, Mitsubishi Trust and Banking, Sumitomo Trust and Banking and Mitsui Trust and Banking are to increase their capital to a uniform Y49.25bn from Y37.50bn.

Shareholders registered on July 30 will be offered 25 new shares for every 100 held at a nominal price of Y50 per share, with payment September 30, in addition to a 5-for-100 bonus issue, said the banks.

Agencies

Setback for NTN Toyo Bearing

BY OUR TOKYO STAFF

NTN TOYO Bearing, Japan's second largest bearing manufacturer has reported an 18.8 per cent fall in operating profits to Y11.42bn for the year to March having been affected by sluggish export sales and slackened market price for ball bearings.

However, the company forecasts a quick recovery in earnings in the current year on the strength of buoyant sales of constant-velocity universal joints for front-wheel drive cars of precision bearings for electronic equipment.

Unconsolidated net profits were 19 per cent lower at Y6.04bn, on sales of Y184.86bn, down by 2.6 per cent. Net profits per share were Y21.11 compared with Y27.42 in the previous year.

Sales of constant-velocity joints rose by 12.6 per cent in the year but exports fell by 13 per cent reflecting sluggish industrial activity in the U.S. and Europe.

The company's cost-to-sales ratio fell by 1.8 percentage points to 81.2 per cent in the year, and a recovery in financial standing, because of lower interest payments, was offset by higher depreciation.

In the current year the company expects continued strong sales of constant volocity joints and a good sales contribution from precision bearings. It has succeeded in developing a volume production system for precision bearings with a 1.5-millimetre diameter and will start production from June. Mass production of precision bearings with diameters of less than 4 millimetres is quite difficult, and manufacturers are vying with each other to establish volume production systems to meet the vigorous demand expected from the electronics industry.

Full-year operating profits are expected to reach Y12bn, up by 5 per cent, net profits Y6.3bn, up 4 per cent, and sales Y192bn, up by 4 per cent.

Cost savings boost Singapore Bus earnings

BY GEORGIE LEE IN SINGAPORE

SINGAPORE'S leading bus transport operator, Singapore Bus Services (1978) has reported pre-tax profits up by 38 per cent to S$18.8m (U.S.$8.95m) for 1982 and post-tax profits 40 per cent higher at S$11.4m.

Group turnover was just 4 per cent higher at S$318m and the company says that much of the improvement came from cost-savings, particularly on fuel.

Singapore News and Publications, major newspaper publisher in Singapore, has reported group pre-tax earnings of $S5.5m for 1982.

Singapore News was formed only late last year through the merger of two of Singapore's major Chinese language newspaper publishing groups, Nanyang Siang Pau Sinagpore and Sin Chew Jit Poh Singapore.

Group turnover was S$26.8m while post tax profits amounted to S$2.9m. Due to its recent formation, no comparative figures are available.

The group has proposed a first and final gross dividend of 5 per cent.

Group earnings at Acma Electrical Industries fell sharply in 1982 from S$2.8m to S$508,000 and post-tax profit dropped from S$2.5m to S$50,000.

Turnover was 12 per cent lower at S$92.5m but operating profits declined by 43 per cent to S$4.9m.

Acma reported an extraordinary profit of S$806,000 leaving an attributable profit of S$856,000. The group has proposed a first and final gross dividend of 7.5 per cent.

Pan Electric Industries has reported a fall in pre-tax profits for 1982 from S$15.7m to S$3m and in net profits from S$15.7m to S$2.2m.

Group turnover fell by 31 per cent to S$157.1m and operating profits from S$17m to S$2.7m.

The company has proposed a 2.5 per cent gross dividend, compared with a total of 10 per cent gross plus 3 per cent tax free for the previous year.

Whitbread moves ahead to £81m

FOLLOWING A rise in turnover from £841.7m to £1bn, taxable profits of brewer **Whitbread & Company** rose by £7.7m to £81m in the year to February 26 1983, of which £38.3m, compared with £34.8m, came in the second half.

The year's dividend is being lifted from 4.9p (adjusted for scrip) to 5.4p net per 25p share with an increased final of 3.75p (3.4p). Earnings per share are given slightly lower at 14.13p (14.34p adjusted) basic and 13.91p (14.18p adjusted) fully diluted.

The directors say that with the continuing improvement in efficiency in the company's business, the strong trading position of the company's leading brands, investment in retailing and overseas development, and with some signs of recovery in the UK economy, they have reasonable cause for future optimism.

In the year under review the beer market declined again but the lager market resumed growth. The group's main brand, Heineken, prospered and Stella Artois, its premium lager, made significant gains despite the recession. Whitbread Gold Label Lager was established in Yorkshire while Kaltenberg Diat Pils extended its distribution.

Whitbread's performance in the bottled beer sector continued to improve, with Mackeson and Gold Label Barley Wine dominating their product sectors.

Wine and cider were areas of exceptional growth. The group maintained its lead in the new wine box market under the Stowells of Chelsea name. Sales growth continued to be spectacular. The cider market grew significantly and Whitbread maintained its share of it.

The retail division continued its expansion programme, led by Beefeater Steak Houses. The group is also developing a number of new ideas such as Roast Inns and Hungry Fisherman. The joint venture with Pepsico in Pizza Hut (UK) maintained its expansion programme, while Goodhews (Holdings) was acquired during the year and successfully integrated into the business.

In overseas whisky markets demand for Long John products was strong in trading conditions slow to improve. The impressive growth of Scoresby Rare, the leading Scotch of Highland Distillers California, continued.

Beer sales increased in Belgium, as did the group's share of the premium beer market.

Pre-tax profits were struck after interest payable of £16.1m (£13.3m), depreciation of £27m (£23.8m) and exchange losses of £100,000 (gains £400,000), and included associate profits of £5.2m (£3.6m) and trade investment income of £1.1m (£900,000).

Tax took £25.9m (£17.8m) leaving net profits of £55.1m (£55.5m). There was an allocation to the company's employee share ownership scheme of £500,000 (same) minorities of £300,000 (£200,000) and an extraordinary debit of £7m (£8.3m).

See Lex

Alastair Muir

The beer market declined again last year says Mr Charles Tidbury, chairman of Whitbread, but the larger market resumed growth.

LBI just ahead after £70m bad debts provision

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

Lloyds Bank International (LBI) yesterday said it had set aside £70.6m in its latest six-month accounts to March 31 for bad and doubtful debts, a level which is double that of the same period a year ago, but slightly down on the £81.3m for the six months to last September.

The bank's pre-tax profits for the last six-month period were £70.3m, against £67.5m in the period a year ago and £15.6m in the six months to last September.

LBI has managed to maintain its profitability as a result of an increase in its net interest income of £14m year-on-year to £138m for the six months to March 31. In addition, fee and commission income was £30m higher at £98.9m. This income includes front-end fees from debt rescheduling packages, which LBI has participated in as a major lender to Latin America.

The bank's Latin American exposure is thought to be £3.5bn to £4bn out of total advances of £11.2bn. This excludes Mexico and takes in about £1bn of ECGD-backed credits.

The £70.6m of bad debt provisions (the bad debt total was £115.4m in the year to last September) are broken into £35m of general and £35.6m of specific provisions. Mr Alan Moore, an LBI director, said yesterday the specific provisions "reached a dizzy peak in the second half of last year when we went to town on the loan portfolio." Specific provisions stood at £83.3m in the second half of last year.

The general provisions were up sharply in the first half of this financial year because "we clearly felt that things have deteriorated and we felt it necessary to increase the general provisions as a recognition that times are difficult," according to Mr Moore.

LBI paid its first-ever dividend of £20m to the parent Lloyds Bank group and this, combined with a higher tax charge of £39.3m (against £26.4m a year ago) left LBI with a retained profit of £10.4m (against £40.8m).

The Lloyds Bank share price closed 7p higher last night at 530p.

First quarter profit by General Accident

WITH ITS underwriting loss reduced by £16.2m to £40m, **General Accident Fire and Life Assurance Corporation** made a pre-tax profit of £8.9m for the first quarter of 1983, as against a deficit of £11.4m last time.

Investment income in the period improved from £44.1m to £48.2m. Loan interest again took £0.4m, while long-term insurance profits were also unchanged at £1.1m.

Tax credits were reduced from £10m to £3.5m and after minorities and preference dividends of £0.5m (£0.2m) the attributable profit was £11.9m, against a £1.6m loss for the corresponding quarter of 1982.

The board emphasises however, that the results do not necessarily provide a reliable indication of those for the full year.

General premium income for the first quarter increased from £298.9m to £342.1m.

In the UK, net written premiums were £125.3m (£113.4m) and there was a lower underwriting loss of £19.3m (£27.7m). Weather losses were much less than in the comparable quarter last year and this benefit was mainly reflected in the home-owners and commercial property accounts, which reported reduced underwriting losses of £3.7m (£10.2m) and £5.4m (£9m) respectively.

The motor account produced an increased loss of £8.1m (£7.2m) reflecting the continuing high incidence of claims. Experience in the liability classes was also substantially adverse.

In the U.S., net written premiums were $193.3m ($181.3m) and the operating ratio was 109.7 per cent (111.04 per cent). This marginal improvement, which largely stems from comparatively better weather, was reflected in all major lines. On the UK accounting basis, the underwriting loss was £13.5m (£12.7m).

Elsewhere, there were aggregate underwriting losses of £7.2m (£15.8m). The substantial part of this improvement arose in Canada where there was a modest profit after a loss of £5.4m a year ago.

Despite an improved result from France, EEC territories deteriorated £1.1m to a loss of £5.2m, due mainly to a very adverse experience in Ireland. Australia maintained last year's underwriting loss at £2.6m after claims from bush fires amounting to £2.8m.

The movement in sterling rates during the period had no significant effect on results.

● comment

A mild winter has helped General Accident to much reduced underwriting losses and an £11.9m profit in the first quarter compared with a rather dismal £1.6m loss for the same period last year. UK underwriting losses shrank from £27.7m to £19.3m with marked improvements in the home-owners' and commercial property accounts. The motor account proved a notable exception. GA is Britain's leading motor insurer and found that with claims keeping the bad level of the last quarter of 1982, underwriting losses slipped a further £900,000 to £8.1m. If the level continues then a further increase in premiums, on top of the 6¼ per cent of last August and the 2 per cent in February, cannot be ruled out. Ireland is proving a disaster area with an increase in court awards and a government ceiling on rate increases. Last year's £3m loss was repeated —without the bad weather, a situation which GA will not be able to tolerate for much longer without giving serious consideration to reducing its presence there. Canada and Australia provide a much brighter position, except for an exceptional £2.8m expense after Australia's bush-fires. The U.S. is also giving grounds for cautious optimism with the first improvement in operating ratios over comparable periods for four years. The share price has picked up some of the ground it lost at the year end when it fell to 412p but lost 2p yesterday to close at 423p.

Aurora over first hurdle for survival

By Ray Maughan

Aurora, the engineering, forgings and castings group, cleared its first survival hurdle yesterday when shareholders voted by an overwhelming majority to raise the borrowing limit to £43.5m.

The vote was taken at an extraordinary meeting convened to discuss the group's severely eroded capital position following two years of heavy losses in its special steels division. Losses and reorganisation expenses, allied to the complete closure of that business, have forced Aurora into a position where its net assets are worth less than half the level of paid up capital.

The second stage of the re-financing, designed to put the balance sheet on a secure footing, is due imminently, although the precise timing has not been fixed.

Plans have reached an advanced stage to inject £20m into Aurora, underpinned by a detailed appraisal by the accountancy firm of Coopers & Lybrand, which indicates that the rump of the group is capable of forming a satisfactory, continuing business.

The engineering, forgings and castings and steel distribution activities produced operating profits of almost £5m on sales of £90m last year, although the benefit was entirely swallowed by huge debt financing costs.

The reconstruction has been organised by N. M. Rothschild & Sons, responsible for recent changes at Turner & Newall, and involves the co-operation of Barclays Bank, the group's principal clearer.

It is understood that around half thereconstruction proceeds will take the form of debt conversion, probably deferred equity, which would follow the norm established in recent corporate re-financing agreements.

The residue will be taken up in the form of new equity by existing institutional shareholders, notably the National Coal Board Staff Superannuation and Pension Schemes, which are expected to underwrite private shareholders. Current shareholders will be given incentives to participate although their holdings will be substantially diluted.

Finance For Industry, which has participated in recent equity injections into BSR, the record changer and electronics group, and Newman Industries, the electric motor manufacturer, is also involved.

A boardroom re-shuffle is now under way. The chairman, Sir Robert Atkinson, 67, will take an increased day-to-day interest in the group's affairs notwithstanding his chairmanship, until July, of British Shipbuilders.

Two non-executives from industry will also be appointed. The managing director, Mr Arthur Watt resigned at the beginning of this week, and Rothschild is beginning to draw up a short list for his replacement. Mr Jim Hannah, divisional director of special steels, is expected to leave the group in September.

LADBROKE INDEX

677-682 (+3)

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Borthwick profits climb to £3m: capital restructure

A CONSIDERABLE improvement in half-year profits and details of a capital reorganisation are announced by **Thomas Borthwick and Sons**, the international meat trader.

Although pre-tax profits for the six months to April 3 1983 jumped from £127,000 to £3.09m, Mr R. C. Wheeler-Bennett, the chairman, sounds a note of caution.

He says it is evident that interim profits have been exaggerated by climatic conditions in Australia. This and the deteriorating economic conditions for business in France indicate that the bulk of this year's profits will have been made in the first half.

Mr Wheeler-Bennett explains that most of profits from the group's Australian division will have fallen into the first half, as a result of the severe drought which caused many cattle and sheep to be sent to the abattoirs for lack of feed.

Now that the drought has broken, Borthwick cannot expect the usual volume of livestock to be offered for sale in the second six months. Inevitably therefore the Australian operation will trade at a loss during the remainder of the year.

In New Zealand, both the trading division and Borthwick-CWS, while profitable, have been hit by the overhang of old season lamb stocks. The trading side suffered from the Meat Producers' Board requirement to delay selling new season's lamb until the bulk of the old season's, of which Borthwick had little, was sold. As a result, the works are having to contend with the problem of lack of storage space.

Conditions for marketing a substantial oversupply of New Zealand sheepmeat remain unhelpful in the short term, but the prospects for beef sales are better.

Retail results show steady progress in the UK, but Boucheries Bernard in France is making only modest headway in the face of the difficult economic situation in that country.

Elsewhere, the manufacturing operations in the UK have all made progress with prospects of further improvement.

First-half group turnover improved from a restated £256.83m to £273.27m. After deducting tax of £543,000 (£770,000) — all overseas — and minorities of £580,000 (£350,000), there was an attributable profit of £1.97m, as against a £993,000 loss previously. Stated earnings per 50p were 3.81p (1.92p deficit). There is again no interim dividend.

Progress however, continues to be made on reduction of borrowings which are significantly lower than for the corresponding period of 1982.

Following the improved results, the directors believe that it is now appropriate to reorganise the share capital and reserves of the company to facilitate the raising of new share capital (although there is no immediate intention to do so) and the payment of dividends.

The directors have formulated proposals to reduce the nominal value of each ordinary share from 50p to 10p and to cancel the company's share premium account.

It is proposed to write off the net deficit of £5.06m on the company's reserves (other than share premium account) as at October 3 1982 together with the expenses of this capital reorganisation, expected to amount to £85,000, against the amount arising in the company's books as a result of the reduction of capital and cancellation of share premium account.

The company proposes to adopt the policy recommended by the Accounting Standards Committee of writing off goodwill as it arises, and, consistent with this policy it proposes to reduce the book value of its interests in subsidiaries by £12.93m and that sum will also be written off.

After taking into account £299,000 of goodwill attributable to minority interests, this will result in the elimination of all goodwill appearing in the consolidated balance sheet as at October 3 1982.

The net result will be a credit balance on reserves of £9.14m. If the proposals are implemented, it will be possible for the company to pay dividends out of distributable profits arising after October 3, 1982. Subject to unforeseen circumstances, this would enable the company to retain the status of the ordinary shares as wider-range investments for the purposes of the Trustee Investments Act 1961. The level of future dividends will depend on the trading results and cash resources of the Group.

The capital reorganisation is expected to become effective in July 1983.

● comment

Borthwick's plans to reduce the par value of its shares to below their market price will remove the legal barriers now preventing the group from raising the capital it badly needs to reduce borrowings further. Debt was running at nearly three times shareholders' funds at the year end. Even after yesterday's dramatically improved figures, which pushed the price up 2p to a two-year high of 28p, the shares are still trading at well below their present par value of 50p. The company attributes around 20 per cent of its profits advance to falling interest rates. The rest received a boost from the Australian drought which sent large numbers of animals to the abattoir, while meat price rises in the U.S. and higher consumer spending in the UK provided a further lift. But reduced purchasing power in France resulting from the tax squeeze there and the distortion thrown up in the first half by the Australian weather means the rest of the year will not be so impressive, producing a pre-tax total of perhaps £4m.

HIGHLIGHTS

Lex looks at BTR which yesterday increased its offer for Thomas Tilling by around £90m and bought a substantial Tilling stake in the market. The column also examines Watney Mann, Grand Metropolitan's subsidiary, which is offering £55m of debenture stock on relatively attractive terms. Further considered are the half-year figures from Lloyds Bank International which has applied the latest accounting standard on foreign currency translation within a month of its publication. Lex goes on to discuss the full-year profits from Whitbread, up 10.5 per cent at £81m, helped by continued rationalisation.

Runciman down by £1.25m

While 1982 turnover was little changed at £54.91m, against £54.72m, pre-tax profits of **Walter Runciman**, shipping, insurance and security engineering group declined from £2.32m to £1.07m.

The final dividend is cut from 5p to 2.5p net for a reduced total of 5p (7.5p) per 25p share. Earnings per share were 9.9p (20.6p) before extraordinary items and 9.1p (19.2p) after.

Tax charge was down from £688,000 to £206,000. There were minority interests of £416,000 (£377,000) and an extraordinary debit of £88,000 (£110,000) comprised a £130,000 provision for losses on the closure of a business less a gain on restructuring a foreign subsidiary.

Amos Hinton falls to £2m

A DECREASE in pre-tax profits from £2.5m to £2.01m is reported by **Amos Hinton and Sons** for the year to March 5 1983. Some improvement is anticipated by the directors for 1983-84 and the dividend total for 1982-83 has been held at 8p with an unchanged final of 5.6p net.

The pre-tax result was arrived at after a credit for interest last time of £303,000 against a £2,000 charge this time.

Turnover of this food and drink retailer and distributor, which is a close company, moved ahead from £101.31m to £112.88m.

Tax amounted to £263,000 (£266,000) after which there was an extraordinary debit of £244,000 (credit of £32,000). Earnings per 10p share were shown as falling from 40.53p to 31.69p.

Net assets per share amounted to 215p (196p).

On a current cost basis pre-tax profits were reduced to £1.72m (£2.05m).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied London ...... int.	0.3	—	0.28	—	1.55
Asset Special	0.42	—	—	1.35§	—
Gieves Group	1.5	—	Nil	2.25	Nil
Amos Hinton	5.6	July 19	5.6	8	8
London and Lennox	1.4	—	1.4	2	2
Walter Runciman	2.5	—	5	5	7.5
Wearwell .... int.	1.32	Oct 10	1.2	—	2.75
Whitbread	3.75	—	3.4	5.4	4.9*

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For period January 6, 1982 to March 31, 1983.

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord. ...	134	—	6.4	4.8	7.8	10.2
158	117	Ass. Brit. Ind. CULS...	151	—	10.0	6.6	—	—
74	57	Airsprung Group	62	—	6.1	9.8	17.7	17.7
46	28	Armitage & Rhodes ...	28	—	4.3	15.4	3.1	5.6
340	197	Bardon Hill	340	+10	11.4	3.4	14.3	18.0
150	100	CCL 11pc Conv. Pref....	150	+1	15.7	10.5	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	47	Deborah Services	47	—	6.0	12.8	3.1	8.4
97½	77	Frank Horsell	86	—	—	—	8.0	8.6
96	75½	Frank Horsell Pr Ord 87	94½	—	8.7	9.2	10.5	11.3
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	6.9	12.3
100	74	Ind. Precision Castings	76	—	7.3	9.6	9.7	12.3
175	100	Isis Conv. Pref.	175	+3	15.7	9.0	—	—
148	94	Jackson Group	148	+1	7.5	5.1	4.6	9.4
225	111	James Burrough	223	−2	9.6	4.3	10.3	16.1
260	148	Robert Jenkins	148	—	20.0	13.5	1.6	23.5
83	64	Scruttons "A"	67	—	5.7	8.5	8.7	10.5
167	110	Torday & Carlisle	110	—	11.4	10.4	4.9	8.5
29	21	Unilock Holdings	26	—	0.46	1.8	—	—
85	64	Walter Alexander	67	—	6.4	9.6	4.8	8.9
270	214	W. S. Yeates	266	—	17.1	6.5	4.1	8.5

Prices now available on Prestel page 48146.

UK COMPANY NEWS

Wearwell lifts interim as profits rise £0.74m

ON SALES £4.31m ahead at £13.87m Wearwell, clothing manufacturer and wholesaler, returned profits of £2.47m pre-tax for the 26 weeks ended March 4, 1983, an improvement of £744,000 on the figures for the same period last year.

Earnings per 5p share emerged 0.3p higher at 3.6p and the net interim dividend is being stepped up from 1.2p to 1.32p. The directors, headed by Mr Asnil Nadir, the chairman, say they will review the full extent to which profitability should be reflected in dividend payments when they assess the total dividend in the light of the full year's results—a "satisfactory" outcome is looked for.

Tax for the first half took £1.28m (£896,000) leaving the net balance at £1.19m, compared with £828,000.

As intended, there was a particular improvement in the domestic market.

The company is continuing its efforts to move into new markets and is confident that its expansion can be maintained. In order to meet increasing demand for its products it is planning to obtain new production capacity in Turkey.

As already announced the proposed merger between Wearwell, Polly Peck (Holdings) and Cornell Holdings has been temporarily deferred. Mr Nadir says the decision was made because the market in Polly Peck shares was unsettled after a number of groundless attacks were made on that company.

He adds that it remains the firm intention of the company to proceed with the merger as soon as conditions are favourable.

On December 15 1982 Mr Nadir was beneficially interested in 12.7 per cent of Wearwell and 40.6 per cent of Polly Peck which in turn owned 32.6 per cent of Cornell Holdings.

Mr Nadir says that libel proceedings have commenced in connection with the article in a national newspaper alleging exploitation by the company of its local labour force in northern Cyprus. He says the allegation was unfounded.

Wearwell has completed the move to its new administrative offices in Commercial Road. The old offices will be used primarily as a showroom.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Canvermoor, Irish Distillers, NSS Newsagents, Northern Industrial Improvement Trust, Redfearn National Glass.

Finals—Advance Services, Ambrose Investment Trust, British-Borneo Petroleum Syndicate, Chamberlin and Hill, Duport, Hartwells, Mettoy, Usher-Walker.

FUTURE DATES

Interims:—	
Lake and Elliot	Jun 7
Williams (John) of Cardiff	May 20
Finals:—	
Associated British Foods	May 23
Capital and Counties	May 25
Channel Tunnel Investments	May 25
Dwek	June 3
Evans of Leeds	July 5
Jantar	May 25
Lanca	May 24
Nineteen Twenty-Eight Inv. Tr.	May 27
Plessey	May 26

Smith Brothers raising £4.5m

Smith Brothers is to raise a total of £4.48m, of which £1.6m will come from a two for five rights issue of 3,49m shares at 50p each—the first rights issue by a London stockjobber.

The rest will include the placing with Finance for Industry of an additional 750,000 ordinary shares and £2.5m of 11 per cent partly convertible subordinated capital notes. Half of the notes will be convertible into ordinary shares during specified periods between the issue date and repayment in 1998, at the rate of 160 fully paid ordinary shares for each £100 nominal of the capital notes.

If FFI were to exercise its full conversion rights, it would hold 18.4 per cent of the enlarged capital, against the 5.8 per cent it will hold following the placing of new shares and the rights issue.

Meanwhile, Smith estimates its pre-tax profits for the year to April 22 at not less than a record £3.3m. In the previous year, the company lost £28,000. It predicts a final dividend of 2p net, making a total of 3p.

The extra capital is needed because of the increase in volume and size of transactions in principal equity markets over the past few years. This has resulted in an extra requirement for finance to cover trading and settlement positions. In addition, Smith is opening an office in New York, an increasingly important centre for trading in gold mining and Australian shares, in which it specialises.

The rights issue has been underwritten by S. G. Warburg and brokers are Cazenove & Co. Dealings in the new ordinary shares are expected to open on June 13.

Hewden-Stuart £8.8m rights

BY CHRISTOPHER CAMERON-JONES

Hewden-Stuart, Glasgow-based plant hire and equipment marketing concern, is raising up to £8.8m by way of a rights issue of convertible unsecured loan stock. The stock, dated 2003/08, carries a 10 per cent coupon and is being issued at par on the basis of £1 of stock for every 10 ordinary shares held.

The issue is being underwritten by Morgan Grenfell & Co. and brokers to it are Speirs & Jeffery and Hoare Govett.

Initially the net proceeds of about £8.6m will be used to reduce bank debt but later will be applied partly to buy new equipment if the upturn in activity which the company is experiencing is sustained.

The issue is aimed at giving the group "the financial resources and flexibility" not only to take advantage of an increase in demand, but also to expand into areas seen as offering greatest potential, and to provide additional working capital to enable the merchanting division to exploit the increased range of JCB equipment.

The company says that although trading conditions in the last three years have been difficult, with hire rates and, consequently, margins coming under considerable pressure, the group has maintained a modern fleet.

In the three years to January the group has spent more than £30m on new plant and equipment though, since 1979/80, pre-tax results have fallen from record profits of £8.5m to £954,000 losses in 1981/82 before recovering to £1.5m profits last year. Net borrowing is slightly up on the £17m seen at year end, owing to seasonal factors.

The conversion terms for the new stock are that during June in any year from 1986 to 2002 each £100 of stock may be converted to 285 ordinary shares of 10p each. This represents an effective price of 35.1p per ordinary share.

Interest payments will be half yearly, starting on January 25.

● comment

This is the first cash call to shareholders by Hewden-Stuart since the company went public 15 years ago. It comes at a time when the group is recovering from the worst period in its history. Forecasts for the current year see profits approaching £3m before tax, around double last year's figures but well short of the peak of four years ago. Bearing in mind the recovery situation the conversion terms look generous. Just ahead of the announcement yesterday ordinary shares were trading around the conversion level at 35p. They finished 2p down at 33p for a historic yield on the maintained dividend, of over 5.6 per cent. With the coupon yielding 10 per cent the stock can be expected to move to a premium when dealings begin.

W. E. Norton

Of the 16,293,326 new ordinary shares offered by way of rights by W. E. Norton (Holdings), approximately 96.6 per cent have been taken up.

Yearlings up

The interest rate for this week's issue of local authority bonds is 10¾ per cent, up half of a percentage point from last week and compares with 13¾ per cent a year ago. The bonds are issued at par and are redeemable on May 23 1984.

A full list of issues will be published in tomorrow's edition.

Renishaw for USM

Renishaw, the world's leading designer and manufacturer of high technology precision measuring equipment, is planning to join the Unlisted Securities Market. The issue is being handled by Lloyds Bank International. Stockbrokers to the company are Rowe & Pitman.

RESULTS AND ACCOUNTS IN BRIEF

FUNDINVEST (investment trust)—Interim dividend 1.984p (1.881p) net per 25p share for six months ended March 31, 1983. Gross income £422,024 (£405,584). Net revenue £251,106 (£239,659) after expenses and interest £53,649 (£50,005) and tax £117,270 (£115,920). Assets attributable to capital shareholders £15.75m (£11.16m). Net asset value per capital share 248p as at March 31, 1983, (175.75p as at September 30, 1982), after deducting debenture stock and preference and income shares at nominal values.

THOMAS WARRINGTON & SONS (general building and public works contractor)—Final dividend 4.41p (3.85p) for 1982 year, making 6.16p (5.6p) net per 25p share. Turnover £9.94m (£10.36m). Pre-tax profit £616,000 (£613,000), tax £243,000 (£241,000). Stated earnings per share 12.41p (12.38p). Realised revaluation surplus transferred from reserves £11,000 (£57,000). Signs of an upturn in contracting work in area group operates together with improvement in private housing should, if continued, contribute to successful year, directors state.

GOLD & BASE METAL MINES—No dividend for 1982 (same). Pre-tax profits £21,333 (£11,782 loss) after exchange loss nil (£1,308). Tax credits £288 (£5,380) making net profit £21,621 (£6,402 loss). Extraordinary debit £8,400 (£32,464). Earnings per 12½p share, pre extraordinary items, 0.35p (0.1p loss). Extraordinary item for 1982 was in respect of sale proceeds of the 60 per cent interest in the company's Nigerian investment amounting to £330,000. No remittances were received from Nigeria during year.

WEEKS ASSOCIATES (agricultural machinery and rubber products)—Pre-tax profits for year to January 30, 1983, were £151,532 (£242,087) on turnover £8.97m (£10.56m)—export orders down 51 per cent. Earnings per share 1.2p (2.4p); net dividend 0.7p (same). Interest payable £286,055 (£322,824). Attributable profits £78,833 (£297,197) including extraordinary debits £44,268 (£5,871 credits)—this time there was a £35,079 payment to a former director. Chairman says that although it is too early to forecast results for the current year, he is confident that the group benefit from an expected increased level of exports.

ASSET SPECIAL SITUATIONS TRUST—Gross revenue £309,816 for period January 6, 1982 to March 31, 1983. Revenue earned for ordinary shares £140,011 after expenses £51,612 and tax of £118,193. Earnings per 10p share 1.4p. Final dividend 0.42p, making 1.36p for period including special distribution of 0.3p. Investment at valuation £3.49m. Net asset value per share 36.4p (29.1p as at September 30, 1982), excluding ordinary and special distributions.

NURDIN & PEACOCK (cash and carry wholesaler)—Results for 1982 reported May 5 1983. Group fixed assets £21.31m (£16.8m). Net current assets £22.12m (£20.19m). Shareholders' funds £38.97m (£34.51m). Increase in working capital £2.02m (£4.53m). Meeting, Richmond, Surrey, June 4, 11.30 am.

UK COMPANY NEWS

Gieves recovery: pays above forecast

SHARPLY LOWER interest charges and a swing from losses to profits by its book and magazine manufacturing division enabled Gieves Group to return pre-tax profits of £739,000 for the year ended January 31 1983 compared with the previous year's deficit of £291,000.

A final dividend of 1.5p, against a forecast of at least 0.75p, makes a total of 2.25p net per 20p share—nothing was paid for 1981-82. Earnings per share came through at 18p (0.6p loss).

Turnover for the year totalled £22.34m (£24.09m) and with all divisions showing improvements, trading profits emerged at £821,000, compared with a previous loss of £56,000.

A divisional breakdown of these shows: tailors and outfitters £333,000 (£272,000), book and magazine manufacturers £289,000 (£355,000 loss), publishers and library suppliers £255,000 (£101,000) and motor and petrol retailers £104,000 (£80,000). Central expenses took £160,000 (£154,000).

Pre-tax figures were struck after deducting £150,000 (£405,000) for interest and adding £68,000 (£170,000) exceptional insurance receipts.

There was a tax credit of £317,000 (£255,000) and extraordinary credits below the line of £105,000 (£340,000 debit), being the surplus from the sale of property.

The directors say the balance sheet will show net cash resources of £510,000, compared with overdrafts of £539,000 in 1982 and other borrowings reduced by £171,000.

Mersey Docks shows £9.5m trading loss

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE Port of Liverpool's financial situation was still "precarious" and its trading position had to improve if it was to stand on its own feet as now required by the removal of Government financial assistance, Sir John Page, chairman of the Mersey Docks and Harbour Company, said yesterday.

The company announced a £9.5m trading loss for 1982 compared with £7.49m in the previous year following a slump in trade from 11m tonnes to 9.3m tonnes over the period.

It made a profit in the first quarter of this year, however, and Sir John said that though it had a very big target of being profitable over the next year it had made a good start and he was "quietly confident" that the company could do this.

"All our planning and action has been aimed at standing on our own feet in 1983. This we will do if the same determination and realism as shown last year continues to be demonstrated by the whole workforce in 1983 and if we maintain and improve our trading position. We must be at breakeven at least this year."

The company warned that it was wrong to get over excited about the trading profit in the first quarter of this financial year. Liverpool had taken trade from other ports which had been in difficulties and overall trade was volatile. The port did not know if it would keep some of its business. "Things are slightly hazardous," said Sir John.

The company has made considerable strides over the past year to put itself on a firmer footing. These have included a rationalisation programme — including withdrawal of cargo handling activities from Birkenhead — a reduction in the workforce by 1,800, a two-year pay and productivity agreement with the unions improving work flexibility, and a marketing campaign which has had some success. The Government has also written off £30m of debt, though grants to cover operational losses have now been terminated.

"The benefits are already showing through in the positive trading position so far this year and will continue to do so in future years," said Sir John.

He blamed last year's poor figures, which had cut operation revenue to £55.4m from £61.4m in 1981, on the world recession.

The Port of Liverpool is still short of its manpower reduction targets. For the port as a whole these require a further reduction of 200, of which 150 would be from within the Mersey Docks and Harbour Company. The latter currently employs 3,200 of which 2,000 are dockers. Sir John said it would make it difficult to breakeven if it didn't get these further manpower cuts.

The company also indicated strongly yesterday that it will want to see the existing two-year pay and productivity agreement followed by another two-year deal. The settlement anniversary date for dockers is April 1984, and for other staff, June of the same year.

British Aerospace

Sir Austin Pearce, the chairman of British Aerospace, told the AGM that competition was strong and that major efforts were under way to reduce the group's costs and so maintain its competitive edge. He revealed that due to an aggressive marketing approach the order book had increased.

Albert Martin to raise £920,000

Albert Martin Holdings, Nottingham-based textile group is raising £920,000 by a placing of 2m new ordinary shares at 46p each with institutional investors. A month ago the company announced a turnround of nearly £1m to pre-tax profits of £667,000 for 1982.

Mr Michael Kidd, the managing director said that, while the company had adequate financial resources to meet current requirements, the issue would provide the flexibility to invest in modern technology and additional factories.

The company rejected raising money by a rights issue to shareholders because major individual shareholders, including the Martin family trusts, would have been unlikely to have subscribed. The company said "a rights issue would therefore be likely to result in substantial selling of our shares and a consequent uncertain effect on our share price." Yesterday the shares slipped a couple of pence to 49p.

The directors intend to recommend total dividends of 2p per share for the current year, on the increased capital. Shareholders approval to both the placing and increase in the company's authorised share capital from £1.85m to £2.4m will be sought at the EGM to be held following the AGM on June 9.

Allied London

A continued increase in pre-tax profits has been shown by Allied London Properties from £752,057 to £866,711 for the six months to the end of December 1982. The net interim dividend has been lifted from 0.275p to 0.3p net and the directors look forward to reporting increased profits for the full year.

Bestobell

The board of Bestobell was undertaking appropriate measures to match capacity with demand and to restore margin and profit to a satisfactory level relative to the limited market available for the next one or two years, Mr A. B. Marshall, chairman, told members at the annual meeting.

Evidence of increased confidence in business in the U.S. and Europe was useful, he stated, and that the company was securing some advance in orders and a considerable increase in enquiries. He added that Bestobell was sharing in the "slowly improving scene."

Juliana's offer by tender at 225p minimum price

BY DOMINIC LAWSON

Juliana's Holdings, a provider of discotheque entertainment in night clubs and international hotels, is coming to the market for a full listing by way of an offer for sale by tender of 1.35m shares at a minimum price of 225p. At the minimum tender price, Juliana's would be capitalised at £12.4m.

Juliana's has achieved an unbroken record of increasing profits. In 1978 the company made pre-tax profits of £86,025 on turnover of £1.17m, but by 1982 profits had reached £619,132 and turnover £3.65m. The company is forecasting that it will make at least £1.05m in the current year to December 31 1983.

That puts the shares on a prospective estimated actual tax multiple of 15.7, based on an estimated tax charge of 25 per cent. The low charge is because Juliana's is—for tax purposes—resident in Hong Kong.

Of the 1.35m shares offered, 500,000 are being issued by the company to raise £1,102,500 on the basis of the minimum tender price. Following the issue, 25 per cent of the equity will be in public hands, and almost 66 per cent will be held by Oliver and Thomas Vaughan, joint chairmen and founders of the company. The brothers will also be realising about £600,000 each, by selling shares as part of the placing.

Juliana's, which was founded in 1967, provides a comprehensive range of discotheque entertainment services to night clubs situated mainly in international hotels. These services, which are provided under contract, typically involve the provision of individually designed sound and lighting equipment, a trained disc jockey, a library of record material and regular servicing of equipment.

The company currently has contracts with 112 hotels or night clubs. The company also operates six travelling discotheques.

Juliana's is also considering the possibility of taking equity interests in the development of hotel night clubs, enabling the participation in revenue of the clubs, in addition to the contract fees.

Mr Oliver Vaughan said yesterday: "We regard Juliana's as a little business that has a lot of growing to do."

The yield on the recommended gross dividend of not less than 7p this year, is 3.1 per cent at the minimum tender price.

Brokers to the issue are Rowe and Pitman and the company has been advised by Morgan Grenfell. Application lists will open at 10am on May 24, and dealings are expected to begin on June 1.

● **comment**

Juliana's is an international company in more ways than one: its four directors are resident in four separate countries spanning three continents. It may seem a volatile time to bring a company to the stock market, but as Juliana's receives about two-thirds of its profits in U.S. dollars, it could be regarded as something of an election hedge. In any event, a compound profits growth rate of 60 per cent over seven years is impressive in any language. On the other hand, if the bad times do come to Juliana's, its assets are nothing to write home about. The company is not making itself any easier to price by coming to the market at the time when it intends to branch out into a new form of business—the development of hotel night clubs, in return for a direct share in the revenues. Investors should probably tender at about 260p. Unlike some recent tender issues, it seems that Juliana's advisers will want to strike at a price where there is scope for those wanting to make a quick profit.

Fisons chief highlights benefits of restructure

SIR GEORGE BURTON, the chairman of Fisons, told the annual meeting that he was confident that the effects of the cost savings carried out, together with a much more aggressive marketing of the group's products, would flow increasingly into profits.

He revealed that substantial restructuring had lowered the cost base of the company and that productivity had increased sharply.

Sir George added that although no great improvements in the economy were anticipated expectations for 1983 arose from "the group now being in a much leaner and fitter state, operating in businesses which were of a size and nature able to be grown internationally by Fisons on a fully competitive basis."

Shareholders were told that the most significant event of 1982 was the satisfactory completion of the disposal of the fertiliser division to Norsk Hydro. Sir George said the division was a very substantial and historic (although not in recent times profitable) part of the former Fisons business.

Its disentanglement worldwide, he pointed out, involved very complex negotiations. The disposal had enabled the group to concentrate its resources on the development of its remaining businesses.

During 1982, all these showed useful growth over the previous year, and once again the strongest performer was pharmaceuticals—activity profits of this division rose to a record of almost £20m.

The chairman commented that substantial sales growth was achieved in the major overseas markets of Japan, West Germany, France and the U.S. He added that the new Intal inhaler had a very successful introduction.

Clement Clarke sees 'another profitable year'

FOLLOWING record results in 1982, Mr John H. Clarke, chairman of Clement Clarke (Holdings), expects another profitable result for the current year, in line with the company's enlarged trading base.

He reports that this Sussex-based dispensing ophthalmic and manufacturing optician and precision and surgical instrument manufacturer, has formed a new company in the U.S.

Named Clement Clarke Inc, it is located in Columbus, Ohio and to assist the initial start-up, the group has paid about £400,000 to acquire the stocks, machinery and skilled staff of Robinson-Houchin Inc from Benson Optical Company Inc of Minneapolis, Minnesota.

Mr Clarke says the new company is expected to produce satisfactory contributions to profits in the short-term.

BOND DRAWINGS

NOTICE OF REDEMPTION

EUROPEAN COAL AND STEEL COMMUNITY (E.C.S.C.)
US$15,000,000 6½% 20 Year Bonds of 1966
due 15th June, 1986

The Commission of the European Communities informs the Bondholders that a selection by lot for a principal amount of US$909,000 has been made for redemption in the presence of a Notary Public on 5th May, 1983 by Banque Internationale à Luxembourg S.A.

The serial numbers of Bonds selected by lot are as follows:—

5 31	43	47 to 76	93 to 200	247 to 251
254 to 256	263 264	267	276 to 279	290 to 295
297 to 299	303 304	312 to 321	325 to 329	335 to 337
340 to 363	440	443 to 450	466 to 475	492 to 498
523	525 526	529 to 552	576 to 581	583
586 587	609 to 615	631 to 633	689 to 692	696 to 699
701 to 705	708	716 to 718	721 722	726 727
740	749 to 751	783 to 789	792 806	878 to 880
882 to 887	892 to 895	899	901 to 904	908 to 910
922	931 932	938 to 944	957 to 985	993
996 to 1007	1068 to 1130	1153 1154	1261 to 1287	14429 to 14439
14446 to 14486	14490 to 14586	14591 to 14600	14604 to 14608	14612 to 14619
14621 to 14623	14626 to 14637	14640 to 14721	14725 to 14728	14732 to 14770
14774 to 14807	14810 to 14822	14828 to 14831	14834 to 14849	14851 to 14854
14865 14872	14951 to 14975	14977	14981 to 14983	14985 to 14989
14991 to 15000				

Principal amount of Bonds purchased:	US$ 91,000
Principal amount due for redemption:	US$1,000,000
Principal amount unamortised after 15th June, 1983:	US$3,000,000

The Bonds selected by lot will be reimbursed on/or after 15th June, 1983 with the coupon due 15th June, 1984 and following attached in accordance with the terms of payment mentioned on the Bonds.

18th May, 1983

COMPANY NOTICES

BAYER AKTIENGESELLSCHAFT

The Annual General Meeting of Bayer Aktiengesellschaft will be held on 28th June, 1983 in Cologne. Payment of an 8% Dividend for the year 1982 will be proposed.

Copies of the Company's Annual Report for 1982 in German will be available from:
Hambros Bank Limited,
Hill Samuel & Co. Limited,
Kleinwort, Benson Limited,
S. G. Warburg & Co. Ltd.

The report in English is in course of preparation.

United Kingdom Shareholders who wish to attend and vote at the Annual Meeting should by 20th June, 1983, inform S. G. Warburg & Co. Ltd., Bond Department, St. Albans House, London EC2P 2DL, who will make the necessary arrangements on their behalf.

BAYER AKTIENGESELLSCHAFT
18th May, 1983.

LEUMI INTERNATIONAL INVESTMENTS N.V.
U.S.$60 MILLION GUARANTEED FLOATING RATE NOTES 1985

The interest rate applicable to the above Notes in respect of the six month period commencing 18th May, 1983 has been fixed at 9⅞% per annum.

The interest amounting to U.S.$48.24 per bond of U.S.$1,000 nominal and to U.S.$482.36 per bond of U.S.$10,000 nominal will be paid on Friday, 18th November, 1983 against presentation of coupon No. 10.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

NOTICE TO HOLDERS OF BEARER SHARES OF
ENERGY RECOVERY INVESTMENT CORPORATION S.A.
R.C. LUX NO. B19717

Rights issue of 252,400 Ordinary shares of U.S.$5 each at U.S.$10 per share.

The period during which payment may be made has been extended and the closing date for the rights issue will be 23rd May, 1983 and not 16th May, 1983.

BANCO DE LA NACION
U.S.$25,000,000 FLOATING RATE NOTES DUE 1986

In accordance with the terms and conditions of the above Notes, notice is hereby given that for the period May 17, 1983 to November 17, 1983, the Notes will carry an interest rate of 9⅜%.

The coupon amount per U.S.$100,000 nominal will be U.S.$4,791.67.

BANQUE INTERNATIONALE A LUXEMBOURG S.A.
as Fiscal Agent

TAYLOR WOODROW INTERNATIONAL FINANCE B.V.

The annual report and accounts for the year ended 31st December 1982 of the above company and those of Taylor Woodrow PLC have been published and are available from the offices of Hoare Govett Limited, 27, Throgmorton Street, London EC2 2AN.

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

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Washington: Editorial 1171 National Press Building, Washington D.C. 20045. Telex: 440340. Tel: (202) 347 8676.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

CONTRACTS AND TENDERS

KINGDOM OF MOROCCO

MINISTERE DE L'ENERGIE ET DES MINES
(DEPARTMENT OF ENERGY AND MINES)

OFFICE NATIONAL DE RECHERCHES ET D'EXPLOITATIONS PETROLIERES
(ONAREP)

INTERNATIONAL TENDER

As part of the second loan granted by the World Bank for petroleum exploration in Morocco, and following the general advertisement made in Development Forum Business Edition, the Office National de Recherches et d'Exploitations Petrolieres, Onarep, is making an international invitation to bid for the supply of:

Tiges "5 et 3" ½ and drill collars (ref: 83-14)

Tender documents are to be drawn from the Direction Technique of Onarep (Division Equipment)—located—Charia Al Fadila—Industrial District Rabat—Morrocco VLM.

BIDS AND DEALS

Raper fails in bid to win seats on Westminster board

BY DAVID DODWELL

THE Westminster Property Group yesterday successfully fought off a bid by Mr Jim Raper, the controversial businessman criticised in 1981 by the Stock Exchange Takeover Panel, to win seats on the board.

At an acrimonious three and a half hour annual meeting—reconvened after the original annual meeting in March was adjourned in disarray—shareholders chose to back the present board despite concern over issues raised by Mr Raper.

They rejected board nominees put up by St Piran, the mining and housebuilding group wholly owned by Mr Raper's master company, Gasco Holdings of Hong Kong. Since February, St Piran has built up a 29.99 per cent stake in Westminster.

In backing nominees put forward by the existing Westminster board to fill three board vacancies, shareholders removed the immediate possibility of the company's shares being suspended. The Stock Exchange Council threatened that it would consider suspension if Mr Raper won seats on the board and in so doing won ultimate legal control of the company.

After yesterday's meeting, a disappointed Mr Raper said: "They have won this one on the threat that the company will have its shares suspended. This threat is based on a fraud—there is no question of legal control passing to St Piran."

While yesterday's defeat for Mr Raper and his nominees marks the end of his initial bid to win a say in the company's policies, Mr Patrick Ravenhill, the chairman of Westminster was in no doubt afte rthe meeting that a fresh assault is likely in the near future.

Mr Raper confirmed this, saying: "We have to pursue action immediately. I haven't decided where we go yet."

One issue stil unresolved is that of a £500,000 commission paid on the sale of property in Lisbon in 1981. Mr Raper has sought—so far unsuccessfully—to discover who received the commission.

Westminsjter repeated yesterday that it had ordered an independent report on the matter by accountants Arthur Andersen to allay shareholders' fears. The report was not ready for yesterday's meeting and Mr Ravenhill refused to give assurances to shareholders that the full contents of the report would be disclosed to them.

Sir Charles Hardie, a director of Westminster since 1972, nevertheless added: "This was of course a vary large commission. But shareholders will understand that the climate which our dorectors were operating in on the Portuguese scene was very different from that in the UK. But I am satisfied myself despite the size of the commission that the totality of the transaction was in the interests of our company."

St Piran reavealed that it had been seeking a Department of Trade inquiry into the Portuguese commission. A recent letter from the Department's companies legislation division said the matter was receiving attention.

Adding to the controversy of the occasion, Westminster said it was investigating whether other shareholding blocks had acted as a concert party with St Piran. Pointing to two new stakes — amounting to almost 10 per cent of the company's issued share capital—which had come to light in the past 10 days, Mr Ravenhill said: "The board is not satisfied as to the circumstances surrounding the acquisition of these two holdings of shares and intends to pursue its efforts to establish whether any concert parties are in existence."

One of the shareholdings—that of a Miami-based company called Raydell Corporation — was only disclosed to Westminster after a court order theatened to disenfranchise them. The Raydell stake is exclusively held by the company's chairman Mr Terence Furey.

The second block, owned by a Mr Stuart Withers, was disenfranchised by a court on Monday. An appeal against the court decision was rejected yesterday morning, with the judge concerned referring to "surprising aspects" in the transaction in which Mr Withers acquired the shares.

Cedar Point approves aquisition plan

Cedar Point Inc has entered into a definitive agreement for its acquisition by a private investor group in a transaction which would result in each Cedar Point shareholder receiving $40 in cash for each share held.

The agreement was unanimously approved by a special committee of independent Cedar Point directors, as well as by the board of directors. Cedar Point said that its special committee and board had received advice from Kidder Peabody and Co Incorporated that the $40 price was fair to Cedar Point shareholders from a financial point of view, and that the investor group had received commitments for financing sufficient to complete the transaction.

Cedar Point has scheduled a shareholders' meeting for July 28 for the purpose of voting on the transaction.

In addition to shareholder approval, completion of the deal is also conditional upon, among other thinks, the receipt of certain regulatory and third party approvals, the execution and consummation of definitive agreements, confirmation of certain valuation and tax assumptions and receipt by the company of a formal fairness opinion from Kider Peabody.

The investor group is owned by a partnership consisting of an entity controlled by Mr Robert Munger, chief executive of Cedar Point, NFF Investments Inc, which is an affiliate of Narragansett Capital Corporation, and Rycade Overseas Oil Company, which is an affiliate of S. Pearson Inc. The limited partners of the partnership are the Prudential Insurance Company of America, an entity controlled by Lazard Freres and Company, and S. Pearson Inc and another of its affiliates.

Pearson owns approximately 25 per cent of Cedar Point's outstanding shares and Mr Mungar and his family own approximately 9.6 per cent of such shares —Cedar Point has 3,613,195 shares outstanding.

Cedar Point, Inc operates two major family amusement/recreation centres, including Cedar Point in Sandusky, Ohio, and Valleyfair in Minneapolis/St Paul. Cedar Point is one of mid-America's largest and most popular family amusement/theme parks and recreation centres, and includes marina, hotel, camper and bathing beach facilities. Valleyfair is the only major amusement centre in Minnesota.

Along with its announcement Cedar Point, Inc reported its results for the year to March 31, 1983 which showed net revenue of $69.4m, a 1 per cent increase over the previous year's $68.7m. Net income for the year was $10.6m, or $2.93 per common share, compared with $11.3m, or $3.15 per share previously.

PENTLAND TRUST

The new ordinary shares in Investment Trust have been allotted in line with a resolution to reorganise the share capital which was passed on May 5.

Accordingly, the offers by Throgmorton Trust to acquire the deferred shares and the ordinary shares in Pentland have become unconditional in all respects. The preference offers have also become unconditional.

A special interim dividend of 5p has been declared by Pentland.

BTG INVESTS IN WHITE CROSS RUBBER

The North West Regional Enterprise Board is investing £60,000 in White Cross Rubber Products, of Lancaster, as part of a £470,000 financial package being provided to the company.

White Cross was formed following a management buy-out of the specialist rubber products business of Storey's Industrial Products, part of the Wardby Group.

Other finance is being provided by the Industrial Commercial Finance Corporation, Lancashire Enterprises, which is wholly funded by the Lancashire County Council, the Department of Industry, and senior employees of White Cross Rubber, whose bankers are providing overdraft facilities.

ASSOCIATED TOOLING

Arrangements for the acquisition by Associated Tooling Industries of the companies involved in electronic office and communications equipment and consumer finance operations from Mr K. A. Shuck are making good progress.

Full details together with a notice of an EGM are expected to be posted to shareholders by the end of June, at the same time as the annual accounts. The proposals will include the change of ATI's name to Associated Telecommunications which will reflect more accurately its future business.

EUROTHERM

As part of a major UK-U.S. marketing and manufacturing arrangement Eurotherm International has bought a 25 per cent holding in Robocom for £150,000 plus £100,000 loan facility. Robocom is a high technology company. Eurotherm's financial interest values Robocom at more than £0.5m after 10 months effective trading.

This financial interest is just one aspect of the agreement signed by the two companies, which also covers collaboration on technical and marketing matters.

SANGERS

Proposals have been put forward by Sangers' wholly-owned subsidiary, Technology Investments, for the acquisition of all the 272,727 shares of Solidyne Inc not already owned by the group, with the object of consolidating the group's control of Solidyne. Price offered for each share is $4.75 and consideration payable is estimated to be approximately £800,000 which is available from the company's existing resources.

BALTIC LEASING

Following discussions with West Coast and Texas Regional Investment Trust, Baltic Leasing Group's offer will be recommended by the board of West Coast.

Agreement has also been reached between Baltic and West Coast on the terms of the recommended offer to be made for the outstanding warrants to subscribe for ordinary shares in West Coast at 55.5p in cash for each warrant.

Unilever Indian deal

Unilever's 51 per cent owned Indian subsidiary, Hindustan Lever, is to sell its business relating to manufactured and marketing goods to Lipton of India, in which Unilever holds a 40 per cent stake. The consideration is Rs 168m (£10.77m).

Lipton will raise its equity capital from Rs 120m to Rs 158m to finance the acquisition. The additional capital is to come from Unilever (Rs 48m), Lipton's existing shareholders (Rs 10m) and Hindustan Lever's shareholders (Rs 62m). By its investment, Unilever will retain its 40 per cent stake in Lipton's enlarged capital.

Hindustan Lever is planning to invest Rs 1.2bn in new projects. These projects, when completed in three years, will generate additional sales of Rs 3bn .

HAY AND ROBERTSON

Hay and Robertson, the Scottish textile manufacturer, is calling an EGM for May 27 to authorise the sale of a company-owned house to the chairman.

The meeting will also consider what action, if any, to take to deal with the situation in which the net assets of the company are considered to be less than half of the called up capital.

Directors consider the current value of the fixed assets to be £153,500, giving rise to a surplus over book value of £67,923. They estimate the current value of the net assets to be £84,000 before taking into account any contingent liability to corporation tax should properties be sold. Called up share capital of the company is £272,000.

Directors report that textile manufacturing activity is running at a loss not entirely offset by profits on merchanting activities. They are urgently considering all steps available to them to restore the company to profitability not only by rationalisation but also by expanding the more profitable trading areas.

In addition, the proposed sale of the house for £49,500 will substantially reduce the company's bank borrowings. They intend to maintain Stock Exchange listing for the preference shares.

JOHN BEALES

Munton Brothers has purchased a further 146,770 shares in John Beales, raising its stake in the company to 1,131,980 shares, or 29.5 per cent.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Guinness Mahon	10 %
Al Baraka International	10 %	■ Hambros Bank	10 %
Allied Irish Bank	10 %	Heritable & Gen. Trust	10 %
Amro Bank	10 %	■ Hill Samuel	§10 %
Henry Ansbacher	10 %	C. Hoare & Co.	†10 %
Arbuthnot Latham	10 %	Hongkong & Shanghai	10 %
Armco Trust Ltd.	10 %	Kingsnorth Trust Ltd.	11 %
Associates Cap. Corp.	10 %	Knowsley & Co. Ltd.	10½%
Banco de Bilbao	10 %	Lloyds Bank	10 %
Bank Hapoalim BM	10 %	Mallinhall Limited	10 %
BCCI	10 %	Edward Manson & Co.	11½%
Bank of Ireland	10 %	Midland Bank	10 %
Bank Leumi (UK) plc	10 %	■ Morgan Grenfell	10 %
Bank of Cyprus	10 %	National Bk. of Kuwait	10 %
Bank of Scotland	10 %	National Girobank	10 %
Banque Belge Ltd.	10 %	National Westminster	10 %
Banque du Rhone	11 %	Norwich Gen. Tst.	10 %
Barclays Bank	10 %	P. S. Refson & Co.	10 %
Beneficial Trust Ltd.	11 %	Roxburghe Guarantee	10½%
Bremar Holdings Ltd.	11 %	Royal Trust Co. Canada	10 %
Brit. Bank of Mid. East	10 %	Slavenburg's Bank	10 %
■ Brown Shipley	10 %	Standard Chartered	‖10 %
Canada Perm't Trust	11 %	Trade Dev. Bank	10 %
Castle Court Trust Ltd.	10½%	Trustee Savings Bank	10 %
Cayzer Ltd.	10 %	TCB	10 %
Cedar Holdings	10 %	United Bank of Kuwait	10 %
■ Charterhouse Japhet	10 %	Volkskas Intnl. Ltd.	10 %
Choulartons	11 %	Westpac Banking Corp.	10 %
Citibank Savings	¶10 %	Whiteaway Laidlaw	10½%
Clydesdale Bank	10 %	Williams & Glyn's	10 %
C. E. Coates	10½%	Wintrust Secs. Ltd.	10 %
Comm. Bk. of N. East	10 %	Yorkshire Bank	10 %
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10½%		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
Robert Fraser	10½%		
Grindlays Bank	‡10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%. 1-month 7.00%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of: under £10,000 6¾%. £10,000 up to £50,000 7¾%. £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £7,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

MINING NEWS

Lac Minerals' president outlines gold prospects

BY GEORGE MILLING-STANLEY

MUCH OF the recent interest which has been aroused in Canada's Lac Minerals has centred around last year's gold discovery in the exciting Hemlo area of north-western Ontario.

The company, currently the second biggest gold producer in Canada behind Campbell Red Lake, expects to add a further 100,000 oz a year to its output once the Hemlo deposit is in production.

Mr Peter Allen, president and chief executive, said yesterday in London that Lac Minerals has already proved up reserves of 4m tons of ore, with an average grade of 6.2 grammes of gold per ton.

Apart from the orebody already outlined, the company's claim stretches for around 15 miles to the east. Drilling on this part of the area should start within a few weeks, and Mr Allen said he expects Lac Minerals to be operating in the area for at least the next 10 years.

Obviously, Lac Minerals could decide to bring a deposit of this size into production right away at a rate of perhaps 4,000 to 5,000 tons of ore per day, but Mr Allen said the company has resolved to wait for the results of further in-fill drilling.

He expects to have enough information later this year to move on to the stage of a final feasibility study. Thereafter, construction work could start next spring, with the mine coming into production a year or 18 months after that.

Mr Allen does not expect any delays from the various legal disputes facing the company. The suit concerning Lac Minerals' own area does not involve a question of ownership, as he pointed out.

However, the prospectus covering Lac Minerals' forthcoming offer of shares makes it clear that the claim against the company includes a request for an injunction to prevent Lac Minerals from dealing with the claims. Although Mr Allen believes the company has a good defence, there could be problems from this source.

The other legal wrangle over the Hemlo district is a matter of ownership, but here the disputed area lies within ground held by Noranda.

Both parties report that they are actively seeking an out of court settlement, and any delay would hit Noranda's proposed mining operation, rather than that of Lac Minerals.

Asked about the possibility of some form of rationalisation of mining and processing operations between Lac Minerals and Noranda, whose areas adjoin, Mr Allen said he favoured an agreement. The situation is complicated at present by the legal dispute, however.

All this seems good enough cause for the recent interest in the company, but Mr Allen was even more enthusiastic about the prospects for a different area of the company's operations.

This is the Macassa gold mine, near Kirkland Lake in eastern Ontario. The mine celebrates 50 years of continuous operation this year, during which time it has been mining two fairly small ore shoots running at a consistent grade of 13 or 14 grammes of gold per ton of ore.

A new shaft, the No 3, is currently being sunk about one mile west of the No 1 shaft to facilitate access to the present workfaces. A great deal of exploration work has been done close to the new shaft, and this has thrown up indications of ore at much bigger widths.

.. are 50 or 60 ft across, compared with around 10 ft for the present mining operation. If the grade proves consistent, there could well be scope for major expansion of the old mine.

Details of the company's proposed share offering are expected in a week or so.

Philippines mines are improving

THE hard-pressed mining industry in the Philippines is now picking up in line with improving metal prices, reports Leo Gonzaga from Manila.

Benguest Corporation, one of the largest mining companies there, has anonunced first quarter net income of Pesos 58.4m (£3.87m) which compares with Pesos 16.7m in the same period of last year.

Of the latest earnings, Pesos 22.3m came from the company's Itogon gold-silver operations and Pesos 16.7m were derived from the copper-gold-silver operations of the Benguet-managed property of Dizon Mines.

The copper-gold producing Marcopper has achieved a first quarter net profit of Pesos 8.3m against a net loss a year ago of Pesos 22.9m. Here again, there has been the benefit of better metal prices coupled with higher gold sales and increased export earnings arising from the fall in the value of the peso against the U.S. dollar.

Marcopper has recently arranged with its foreign creditors a restructuring of a US$14.66m (£9.4m) maturing short term debt plus a new revolving credit of US$23m.

Also seeking to ease its cash problems is Marinduque Mining and Industrial Corporation which lost a net Pesos 1.5bn last year following a deficit of Pesos 900m in 1981. It is reported that the company is negotiating with Philippine-owned institutions to obtain financing.

Marinduque said in its latest quarterly report that it needs the financing to meet debt service and other obligations and to provide funds to continue operations. The company produces nickel and copper with cobalt, gold and silver as by-products.

International round-up

Shares of the Malaysian tin-producing Kinta Kellas jumped £1 to £15¼ in London yesterday following news that Straits Trading has sold for M$12.2m (£3.39m) cash its total holding of 49.9 per cent of Kinta Kellas at M$58 (£16.18 approximately) per share. The unnamed purchaser has undertaken to make a general offer to other shareholders of Kinta Kellas at the same price.

* * *

The Anglo American Corporation group's Canadian Hudson Bay Mining and Smelting reports a net loss of C$11.2m (£5.85m) for the first quarter of this year. It follows a loss of C$5.2m in the previous three months before crediting an extraordinary gain of C$55.5m on the sale of its Island Falls power plant to Saskatchewan Power Corporation. Market conditions for Hudbay's principal productions remained depressesd in the latest quarter.

* * *

The ownership structure of the gold joint venture in Goldfield, Nevada, between Pacific Gold and Uranium of the U.S. and Canada's Noranda Exploration has changed, with the arrival on the scene of Southern Pacific Land, a wholly-owned subsidiary of Southern Pacific Railroad.

The holdings of the two original partners have fallen to 25 per cent each, with Southern Pacific Land receiving 50 per cent in return for financing the development of the proposed open-pit mine and processing plant up to the production stage.

The ore will be processed by the heap leaching method, at a minimum rate of 1,200 tons a day. Production is expected to start in the latter part of this year.

* * *

Korea's Daewoo Corporation is to join Urangesellschaft of West Germany in a uranium exploration and development project in the Northwest Territories of Canada.

The West German company has been exploring in the Baker Lake area since 1974, and has outlined more than 34m pounds of uranium.

The project is expected to come into production in 1990 at an annual rate of around 2,000 tonnes.

* * *

.. of Western Australia's mineral production, including gold, rose by almost a quarter last year to A$3.33bn (£1.9bn), according to figures released by the state government.

Iron ore remained the most important mineral export, with price increases boosting the value by A$365.4m to A$1.5bn.

Gold production rose by 72 per cent to 20,756 kg, the first time since 1965 that output has topped the 20,000 kg mark. The increase is attributable to higher production by the established producers, plus the reopening of several small operations.

Tin outputs

April tin outputs are announced by the companies in the Gopeng group of Malaysian tin producers.

Output of Gopeng itself showed a sharp decline during the month, falling to 98.25 tonnes, the lowest monthly production for over 20 years.

In the seven months end-April it produced 947.5 tonnes of tin concentrates compared with 1,058.75 tonnes in the same period last year.

Output from Gopeng and the other companies in the group are compared in the following table:

	April tonnes	March tonnes	Feb tonnes
Gopeng	98¼	130	114
Mambang	33¾	42½	9¼
Tanjong	4½	4¾	3¾
Idris	7	8	5½

Residential Property

Clubs

OBITUARY

FISHER, LEO—Suddenly on 15th May at home at Brookman Park, aged 93, active to the last. He will be greatly missed by his wife Theresia, their children, Susi, John, and Peter, his first daughter Hanni, and all grandchildren and great grandchildren. Funeral private.

YACHTS AND POWER CRAFT

Holidays and Travel

Art Galleries

Motor Cars

Personal

The Family of
MAHMOUD KASSEM SHAKARCHI
profoundly touched by your expression of sympathy and affection expresses to you their deepest gratitude.

CONTRACTS

£9m for Espley-Tyas

Contracts worth almost £9m have been won by **ESPLEY-TYAS CONSTRUCTION**, part of the construction division of the Espley-Tyas Property Group. The largest order, worth £5.5m is for a new head office at Colindale, North London, for MFI. Other work includes a £1.2m office block in Bromley for Redlake Securities and a £500,000 contract for new and renovated houses and flats for Chadwick Homes at Stratford-upon-Avon.

*

TILCON, a member of the Thomas Tilling Group, has announced orders to the value of £12m to supply a range of construction materials, including sand and gravel, ready mixed-concrete, mortar and black top. The materials are being used in a number of large projects throughout the UK including: laying a mastic asphalt wearing course on the Forth Road Bridge; ready mixed concrete for the A63 South Docks Road in Hull for A. Monk and Co.; and the laying and supply of black top material for the M65 between Hyndburn and Huncoat for main contractors, Cementation.

*

A £1m contract for 100 power supply systems for British Telecom's electronic exchanges has been awarded to **BONAR BRENTFORD ELECTRIC**, a Low & Bonar company. The equipment will convert incoming mains supply to the direct current required by the "System X" telephone equipment and stand-by batteries.

*

The **EXPRESS LIFT CO.**, a subsidiary of the General Electric Co., has received a lift contract for 24 high speed lifts with micro-processor control, which will operate at 500 ft per minute to serve four 32-storey high-rise flats. These blocks are being built by the Hong Kong Housing Authority, as part of a home ownership scheme, enabling the purchase of flats for the lower income groups. The order is worth £1.5m.

*

Wide area radiopaging receivers worth about £7m have been ordered by the Tandy Corp., Fort Worth, Texas, from **STANDARD TELEPHONES AND CABLES**. For the first time, they are to be sold "over the counter" to both business and non-business users in the U.S. Tandy's order is the largest for STC radiopagers from either the home or the export market. The radiopagers are made at the company's Monkstown factory in Northern Ireland. First deliveries have already been made and will continue through 1983.

*

First major order has been placed with **RACAL-OAK**—formed six months ago—to supply British Telecom with cable television equipment. The contract is worth over £3m and is for equipment to ensure that cable programmes are only viewed by authorised subscribers. Deliveries are to commence during the first quarter of 1984 and British Telecom has an option for a follow-on to double the quantity of the equipment supplied under the first contract.

*

J. M. JONES & SONS has been awarded contracts totalling over £7m. Work includes a seven-storey office block in Swindon for the Prudential Assurance Company worth over £2.5m. The Property Services Agency has awarded a £888,252 contract for demolition and alterations to a telephone services centre, and Speyhawk Land & Estates has awarded a contract worth nearly £1.5m for a three-storey office block with underground semi-basement car park and alterations to existing buildings.

*

CARKEEK BUILDING CONTRACTORS has won four contracts worth in excess of £3m. The two largest, each worth about £1m, are for the construction of 74 flats at Plymouth for the Devon & Cornwall Housing Association, and residential accommodation at Torbay Hospital for the South Western Regional Health Authority. The others are for 28 elderly persons' flats on behalf of the Royal British Legion Housing Association at Plymouth, and the building of Looe Junior and Infants School for Cornwall County Council. Carkeek Building Contractors is a member of Plymouth based Carkeek Group.

*

Export orders worth nearly £3m a year have been won by General Motors' **AC SPARK PLUG** plant at Kirkby, Liverpool. The plant, which designs and manufactures automotive components, has been chosen to supply 11 different products during 1983, the first of which goes into production this month. Eight of the new components are variations of a reset odometer (mileage recorder) for export to General Motors' five U.S. car divisions.

*

F. G. WILSON (ENGINEERING), Belfast, has won orders worth more than £3.5m from Saudi Arabia. One £1.5m order from the National Electricity Service for 12 mobile units, each of 1MW output, has already been shipped and commissioned at a number of sites in the Kingdom in 14 weeks from receipt of order. Each generating set, weighing nearly 30 tons, is a self-contained unit providing power to the grid at 13,800 volts.

*

New-build and *refurbishment* contracts worth over £3m have been awarded to **MANSELL** in London and the Home Counties. At London Road, Staines, a two-storey 1,400 sq metres office block is under construction under a £875,680 contract for Lonan Grebe and GMC Superannuation Fund, for completion in early 1984. A new church of St Joseph at York Road, Guildford, is due for completion in May next year under a £782,200 contract for the Roman Catholic Diocese of Arundel and Brighton. In Croydon, a £625,000 refurbishment programme to a three-storey office block at Lansdowne Road is being carried out for Standard Life Assurance; roof repairs and decorations are being undertaken for the Royal Horticultural Society at Greycoat Street, Westminster, under a £415,600 contract; and in Cleveland Street, Bloomsbury, a £362,800 programme of alterations and extensions is being carried out to the clubhouse of All Souls Church.

*

£8m orders for Plessey

PLESSEY OFFICE SYSTEMS, Beeston, has an order worth £6.4m from British Telecom for additional Monarch PABX systems. This extends the company's present Monarch orders through to March next year, and covers a six month period only. Total business won by Plessey for this product is now £70m since first orders were placed in 1979. A contract worth over £1.5m has been awarded by *British Rail Southern Region* to **PLESSEY CONTROLS**, Poole, for supply, installation and commissioning of the Victoria area phase II passenger information system. The equipment will give audio and visual information to passengers at 35 stations on the Southern region within an area from Victoria/Holborn/Blackfriars towards Sevenoaks and Swanley.

G. E. WALLIS & SONS has a contract for 158 bungalows and flats for the handicapped at Cardiff, South Glamorgan Council (£2.8m) and will shortly commence work on an engineering overhaul facility at RAF St. Athan, for the PSA (£527,842).

*

GOULD SEL has signed a long-term agreement with the General Electric information services company to supply its Concept 32/27 computer systems for use in GE's worldwide teleprocessing network. The agreement, which can last up to 10 years, is valued at $3m (£1.9m) in the first year.

*

The following contracts have been awarded to **BALFOUR BEATTY CONSTRUCTION**: An amenity block for Strathclyde University—£561,285; a factory project for Livingston Development Corp.—£50,000; conversion of factory units to a Territorial Army centre, Longbenton, Newcastle, for Tavra Newcastle—£490,000; Scotby to Durranhill sewer for Carlisle City Council—£214,049. Balfour Beatty companies will also be involved in the erection and dismantling of *the stands at the Royal Military* Tattoo, Edinburgh Castle, under a £200,000 contract.

*

A Middle East contract worth over £2m has been won by Derbyshire-based **BUTTERLEY BUILDING MATERIALS**, a subsidiary of The Hanson Trust. The contract is for the supply of clay pavers to the Government of Qatar.

*

FOFRAME CO., recently acquired by Photo Album Specialists, Huntingdon, has won a $2m (£1.27m) order from JMS distribution of New York for 500,000 photo frames of four different types.

Plenty of work for Wimpey

WIMPEY CONSTRUCTION UK has been awarded contracts throughout the UK totalling over £9m. Offices and laboratories are to be built at Starcross near Exeter by the Plymout office for the Department of the Environment under a £1.88m contract. A leisure centre to be built by the Cardiff office for Taff Ely Borough Council, Mid Glamorgan, is worth £3.57m. Other work includes *renovation of* 497 homes for Birmingham Borough Council by the Birmingham office under two contracts totalling £1.84m and Barclays Bank has placed a £496,000 contract with the London office for demolition of buildings on its site in Clarence Street, Kingston-on-Thames, and the construction of a basement and four-storey extension to existing premises.

*

A £2.2m contract awarded to **JOHN LAING CONSTRUCTION** has signalled the start of work of Phase II of Chester House police headquarters for Greater Manchester Council. The two-year contract involves construction of a three-storey building plus a link bridge to the existing police headquarters in Boyer Street, Stretford, Manchester. It will consist of both concrete strip and pad foundations, concrete suspended slab and frame. Walls will be mainly brick/block and the steel framed roof will have metal-faced timber pitched roof decking.

*

Two subsidiaries of **BREN-GREEN (HOLDINGS)** have been awarded the following contracts: Exclusive Tanzifco has won a contract to clean Queen Alia International Airport, Amman, Jordan. The value is £3m over three years. Exclusive Health Care Services has been awarded a contract to clean the Blood Products Laboratory at Elstree. The contract, the company's first, is worth £112,000 over two years.

*

J. DONELLY CONSTRUCTION has been awarded two contracts valued at £1.6m. The first, for alterations and modifications at The Co-operative Bank's Balloon Street premises, Manchester, is worth £832,000. The second, for the WRVS Housing Association, is to build sheltered housing at Glossop, and is worth £851,000.

Sheffield City Council has placed an order with **ICL** worth over £2.5m for equipment and software in ICL's networked product line including a dual 2988 mainframe computer system with 32 megabytes of mainstore and some 6,000 megabytes of disc capacity.

*

JOHN LAING DEVELOPMENT SERVICES has begun construction of Albany House, a 20,000 sq ft office building in Edinburgh. The contract, worth over £1m, is for a four-storey building plus a covered basement car parking area with direct access to the offices.

(a) Fixed assets

NOTES TO THE BALANCE SHEETS

	Cost	Valuation	Total	Accumulated depreciation	Net book value
The Group	£000	£000	£000	£000	£000
Freehold land and buildings	3	100	103	5	98
Leasehold improvements	274	—	274	43	231
Motor vehicles	293	—	293	100	193
Plant and equipment	452	—	452	153	299
	1,022	100	1,122	301	821

The freehold property was valued at 31st March 1980 by Gooch & Wagstaff Chartered Surveyors, at open market value on the basis of existing use. This gave rise to a surplus of [illegible] which was credited direct to reserves.

(b) Subsidiaries

	£000
Investment in subsidiaries at cost	3,019
Surplus on revaluation	2,655
	5,674
Amounts due to subsidiaries	1,299
	4,375

No provision has been made for any potential tax liability which would arise if the investments were disposed of at the value included in the financial statements. If the investments in the subsidiaries were disposed of at their revalued amounts, the taxation liability arising thereon would be £796,000.

The main trading subsidiaries, which are all incorporated in the United Kingdom are:

Name of Company	Shares held: Class	Percentage
Adam Imports Limited	New ordinary	100
	Non-voting deferred	100
Hales Limited	Ordinary	100
	Non-voting deferred	100
Adman Electronics Limited	Ordinary	80
Top Chip Limited	Ordinary	100
Beeware Limited	Ordinary	90
Adam Computer Systems Limited	Ordinary	80

(c) Share capital

	Authorised	Issued and fully paid
	£000	£000
Ordinary Shares of 10p	5,000	2,500

(d) Reserves

[illegible]

(e) Deferred taxation

[illegible]

(f) Capital commitments

[illegible]

(g) Contingent liabilities

[illegible]

(h) Post balance sheet event

[illegible]

4. CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

[illegible]

CURRENT COST INFORMATION

5. CURRENT COST FINANCIAL STATEMENTS

[illegible]

PROFIT FORECAST

Principal Assumptions

The forecast of profit before taxation of Adam Leisure Group PLC for the year ending 31st August 1983, calculated under the historical cost convention, set out in this Offer for Sale is based on the audited interim financial statements for the six months ended 25th February 1983 together with unaudited management accounts for the five weeks to 1st April 1983 and on the following principal assumptions:

(i) there will be no significant changes in import duties and regulations and none of the Group's larger suppliers will experience major adverse industrial, legislative or economic changes;

(ii) there will be no material changes in the foreign exchange rates of the Group's main buying currencies (U.S. Dollar and Japanese Yen).

It does not take account of expenses incurred in connection with this Offer for Sale, which will be treated in the financial statements as an extraordinary item.

Letters

The following are copies of letters to the Directors relating to the profit forecast:

(i) Letter from Touche Ross & Co:

The Directors,
Adam Leisure Group PLC,
Ripon Way Ripon Road,
Harrogate HG1 2AU

The Partners,
Simon & Coates,
1 London Wall Buildings,
London EC2M 5PT

13th May 1983

Dear Sirs,

Adam Leisure Group PLC ("the Company")

We have reviewed the accounting policies and calculations for the profit forecast of the Company (for which the Directors are solely responsible) for the 52 week period to 31st August 1983. The profit forecast includes results shown by audited interim financial statements for the 26 weeks ended 25th February 1983 and the unaudited management accounts for the five weeks ended 1st April 1983.

In our opinion the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the Directors as set out in the Offer for Sale dated 13th May 1983 and is presented on a basis consistent with the accounting policies normally adopted by the Company.

Yours faithfully,
TOUCHE ROSS & CO.,
Chartered Accountants.

(ii) Letter from Simon & Coates:

The Directors,
Adam Leisure Group PLC,
Ripon Way, Ripon Road,
Harrogate HG1 2AU

13th May 1983

Gentlemen,

We have discussed with you and with Touche Ross & Co. the forecast of profit before taxation for the year ending 31st August 1983 of Adam Leisure Group PLC and the principal assumptions on which it is based, as set out in the Offer for Sale dated 13th May 1983. We consider that the profit forecast (for which you, as Directors, are solely responsible) has been made after due and careful enquiry.

Yours faithfully,
For SIMON & COATES,
Roger A. Abraham,
Partner.

STATUTORY AND GENERAL INFORMATION

1. The Company and its Share Capital

(1) The Company was incorporated in England on 27th November 1980 as a private company (Number 1530514) with limited liability under the Companies Acts 1948 to 1976, with an authorised share capital of £100 divided into 100 Ordinary Shares of £1 each. It is the holding company of the various subsidiaries in the Group. By 27th August 1982 the authorised share capital had been increased to £1,000,000 divided into 1,000,000 Ordinary Shares of £1 each of which 500,000 were in issue.

(2) By resolutions passed at an Extraordinary General Meeting of the Company held on 11th February 1983:

(a) the authorised share capital of the Company was converted from 1,000,000 Shares of £1 each to 10,000,000 Shares of 10 pence each;
(b) the authorised share capital was increased to £5,000,000 by the creation of 40,000,000 new Ordinary Shares of 10 pence each;
(c) £1,500,000 of reserves were capitalised and applied in paying up in full 15,000,000 Ordinary Shares of 10 pence each which were allocated to the then existing shareholders pro rata to their existing holdings.

(3) By resolutions passed at an Extraordinary General Meeting of the Company held on 28th April 1983:

(a) the Memorandum of Association of the Company was amended so as to comply with the requirements for re-registration as a public company under the Companies Act 1980 and new Articles of Association were adopted;
(b) the Directors were authorised unconditionally for the purposes of Section 14 of the Companies Act 1980 to allot shares up to a maximum nominal amount of £1,250,000 at any time or times before 27th April 1988, and
(c) the Directors were authorised to allot shares of the Company pursuant to the authority conferred by paragraph (b) above as if Section 17(1) of the Companies Act 1980 did not apply, but this power was limited to:
(i) the allotment of equity securities in connection with a rights issue in favour of holders of Ordinary Shares where the equity securities attributable to the interests of the holders of all the Ordinary Shares are proportionate (as nearly as may be) to the numbers of Ordinary Shares held by them; and
(ii) otherwise than pursuant to (i) the allotment of equity securities up to an aggregate nominal amount of £250,000 at any time or times before 27th April 1988.

(4) On 3rd and 4th May 1983 pursuant to the Agreements referred to in paragraph 7(b) below, the Company issued an aggregate of 5,000,000 fully paid Ordinary Shares of 10 pence each to the Transferors (as defined in the Agreements and of whom Mr. C. A. Rycroft was one) in exchange for the transfer by the Transferors to the Company of the 25 per cent. minority shareholding in Adam Imports.

(5) Following an application that the Company be re-registered as a public company pursuant to the provisions of the Companies Act 1980, a Certificate of Incorporation on Re-registration was issued on 11th May 1983.

(6) The total issued share capital of the Company currently comprises 25,000,000 Ordinary Shares of 10 pence each. There is no present intention to issue any of the authorised but unissued share capital and without the prior approval of shareholders in General Meeting no material issue of shares (other than to holders of Ordinary Shares pro rata to their existing holdings) will be made within one year from the date of this Offer for Sale and no issue of shares will be made which would effectively alter the control of the Company or the nature of its business.

(7) Save as aforesaid, there has been no alteration to the share capital of the Company within the two years preceding the date of this Offer for Sale.

2. Subsidiaries

There are set out below details of the subsidiaries of the Company:

Name	Issued and Fully Paid Share Capital	Date of Incorporation	Percentage owned by the Company
Adam Imports Limited	£38,125	20th August 1973	100%
Top Chip Limited (operator of in-store concessions)	£2	3rd August 1979	100%
Beeware Limited (distributor of radio communications equipment) (1)	£100	1st July 1980	90%
Adam Computers Systems Limited (2)	£100,000	22nd April 1980	80%
Junior Distributors Limited (non-trading)	£100	29th February 1980	100%
Hales Limited	£126,502	6th January 1950	100%
Hales Toy Group Limited (non-trading)	£100	29th January 1980	100%
Adman Electronics Limited (3)	£25,000	16th May 1978	80%
Adam Aviation Limited (non-trading)	£2	12th November 1979	100%

All the subsidiaries are private companies, registered in England.

Notes. (1) William Dewhurst a Director of Beeware Limited owns the remaining 10%.

(2) Adam Computers Systems Limited issued £20,000 nominal of share capital, credited as fully paid, to employees as consideration for the sale to it of computer software on 3rd May 1983.

(3) Under an Agreement dated 1st March 1979 between J. K. S. Hyde (1) and Adam Imports (2) put and call options (exercisable as to part from 1st April 1984 and as to part from 1st April 1989 for a period of 80 years from the date of the Agreement) were granted for the purchase by Adam Imports of the minority 20 per cent. equity interest in Adman held by J. K. S. Hyde at a fair market price to be certified by the auditors for the time being of Adman. Mr. Hyde is a director of Adman.

3. Agreement with Simon & Coates

Under the Offer for Sale Agreement dated 13th May 1983 between the Company, the Vendors named therein (being Mr. C. A. Rycroft, the Trustees of the Rycroft Childrens Trust, Evesham Holdings Limited and Ziptown Investments Limited), the Directors of the Company and Simon & Coates, Simon & Coates has agreed, inter alia, conditionally upon the Council of The Stock Exchange granting permission for the whole of the issued capital of the Company to be dealt in on the Unlisted Securities Market by not later than 10th June 1983 to purchase, or procure the purchase of, from the Vendors 5,000,000 Ordinary Shares of 10 pence each of the Company together with all rights attaching thereto at the aggregate price received for such shares under the Offer for Sale and to offer all such Shares for sale to the public by tender at a minimum tender price of 80p per share, subject to a maximum of 100,000 of such Ordinary Shares out of those being sold by Mr. C. A. Rycroft, being reserved for employees of the Group to acquire at the minimum tender price of 80p per share. The Directors have given certain general trading warranties and Mr. C. A. Rycroft has given certain taxation indemnities, including indemnities relating to income tax and capital transfer tax, to Simon & Coates for itself and as trustee for prospective shareholders. In addition, Mr. C. A. Rycroft has undertaken that he will not (without the prior written consent of Simon & Coates) dispose of any shares of the Company beneficially owned by him or registered in his sole name before 27th May 1984, except to certain family or related interests. He has also agreed to waive the whole of the dividend to be declared and paid on the shares of the Company beneficially owned by him or registered in his sole name in respect of the year ending 31st August 1983 other than in respect of a nominal amount.

The Offer for Sale Agreement provides for the Company to pay the expenses of obtaining the grant of permission to deal in its Ordinary Shares on the Unlisted [illegible]

4. Directors' and Other Interests

[illegible]

5. Directors' Service Agreements and Emoluments

[illegible]

6. Articles of Association

[illegible]

7. Material Contracts

[illegible]

8. Taxation

[illegible]

9. Premises

The Group currently occupies the following trading and administrative premises:

(a) freehold premises comprising 17,400 square feet of offices, warehouse and work areas for light industrial use at Units 2E and 2F at Ripon Way, Ripon Road, Harrogate, North Yorkshire;

(b) leasehold warehouse premises under three separate leases over Units 2B, 2C, and 2D at Ripon Way, Ripon Road, Harrogate, North Yorkshire. Two of the leases expire on different dates in 2002, and the other lease expires in 2003. Together they cover an area totalling 18,600 square feet. The total rent payable is presently £34,500 per annum and each of the leases is subject to periodic rent reviews, the earliest of the reviews will be on 25th February 1987.

(c) leasehold premises at Harrowbrook Road, Hinckley, Leicestershire comprising approximately 30,000 square feet of offices and warehouse for light industrial purposes. The lease expires on 16th May 1994 and the rent currently payable is £24,000 per annum, subject to periodic reviews.

The Group also owns the freehold of Unit 2A at Ripon Way, Ripon Road, Harrogate, North Yorkshire. These premises of 6,200 square feet have been let for a term of 25 years from 1st September 1981, the rent payable to the Group is £12,500 per annum subject to five yearly upward only rent reviews.

The Group also holds leasehold warehouse premises under three separate leases comprising approximately 17,500 square feet at Grace Road, Marsh Barton, Exeter and approximately 18,000 square feet at Leicester Road, Lutterworth, Leicestershire. The lease of the Exeter premises expires on 29th September 2004 and the rent is currently £27,000 per annum, subject to periodic review. The two leases under which the Lutterworth premises are held expire on 25th March 1997 and the total rent is currently £32,250 per annum, subject to periodic reviews. The Exeter and Lutterworth premises are no longer used by the Group and are presently being offered for sale.

10. General

(A) The Directors are of the opinion that, taking into account the Group's existing bank balances and facilities, the Group has adequate working capital for its present requirements.

(B) (i) Save as disclosed herein, no share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option;

(ii) Since 13th May 1981 –

(a) no capital of the Company or any of its subsidiaries (except for capital issued to or owned by the Company or a wholly owned subsidiary of the Company) has been issued for cash or otherwise or is proposed so to be issued, save as referred to herein; and

(b) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any part of the capital of the Company or any of its subsidiaries, save as referred to herein.

(C) The Group has no litigation or claims of material importance pending or threatened against it and no facts are known to the Directors which are likely to give rise to any such litigation or claims.

(D) Save as disclosed herein, there has been no material change in the trading or financial position of the Company and its subsidiaries since 25th February 1983.

(E) The Group has taken out "key man" policies on the lives of Mr. C. A. Rycroft and Mr. P. R. Reilly for £1 million and £250,000 respectively.

(F) Simon & Coates and Touche Ross & Co. have given and have not withdrawn their respective written consents to the issue of this Offer for Sale with the inclusion therein of their reports and the references thereto in the form and context in which they are included.

(G) Gooch & Wagstaff have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion herein of the reference to their valuation and to their name in the form and context in which it appears.

(H) The above-mentioned written consents, a Statement of Adjustments made by Touche Ross & Co. in arriving at the figures set out in their report and the reasons therefor, and copies of the material contracts referred to in paragraph 7 above, were attached to the copies of this document delivered to the Registrar of Companies for registration.

11. Documents for Inspection

Copies of the following documents may be inspected at the offices of Stephenson Harwood, Saddlers' Hall, Gutter Lane, Cheapside, London EC2V 6BS and at the registered office of the Company during usual business hours on any week day (Saturdays and bank holidays excepted) until 2nd June 1983:

(i) the Memorandum and Articles of Association of the Company;
(ii) the audited Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31st August 1982 and the six months ended 25th February 1983;
(iii) the Directors' service contracts referred to in paragraph 5 above;
(iv) the material contracts referred to in paragraph 7 above;
(v) the Agreement dated 1st March 1979 referred to in paragraph 2 above;
(vi) the report of Touche Ross & Co. set out above and the Statement of Adjustments referred to above;
(vii) the reports of Touche Ross & Co. and Simon & Coates relating to the profit forecast set out above;
(viii) the written consents referred to in paragraph 10(F) and G above; and
(ix) the valuation of Gooch & Wagstaff.

Dated: 13th May 1983

PROCEDURE FOR APPLICATION

Requirements for Application

1. Applications must be made on the accompanying application form at the minimum tender price of 80p per Share or at any higher price per Share being a whole multiple of 1p.

2. Applications must be for a minimum of 100 Shares and thereafter in the following multiples of Shares:

Applications for	In multiples of
Not more than 1,000 Shares	100 Shares
Over 1,000 and not more than 5,000 Shares	500 Shares
Over 5,000 and not more than 10,000 Shares	1,000 Shares
Over 10,000 Shares	5,000 Shares

3. Applications must be lodged with or posted to The Royal Bank of Scotland plc, New Issues Department, 24 Lombard Street, London EC3V 9BA, so as to arrive in either case not later than 10.00 a.m. on Monday 23rd May 1983 (being the time of opening of the application list).

4. Each application must be accompanied by a separate cheque or banker's draft drawn in sterling on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for the members of those Clearing Houses (and which must bear the appropriate sorting code number in the top right hand corner) made payable to "The Royal Bank of Scotland plc" and crossed "Not Negotiable", representing payment in full at the application price. An application will not be considered unless these conditions are fulfilled. The right is reserved to present all cheques and banker's drafts for payment on receipt, to retain Letters of Acceptance and surplus application monies pending clearance of the successful applicants' cheques and to reject any application in whole or in part and in particular multiple or suspected multiple applications. Due completion and delivery of an application form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation; attention is drawn to the declaration in the application form to that effect. Applications will be irrevocable until 30th May 1983. Photostat copies of application forms will not be accepted.

5. No person receiving a copy of this Prospectus or an application form in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should he in any event use such form, unless in the relevant territory such an invitation could lawfully be made to him or such form could lawfully be used without contravention of any registration or other legal requirements. Any person outside the United Kingdom wishing to make an application hereunder should satisfy himself as to observance of the laws of any relevant territory, including obtaining any requisite governmental or other consents or observing any other requisite formalities.

Basis of Acceptance

Subject as aforesaid, applications will be accepted on the following basis:

1. All Shares for which applications are wholly or partly accepted will be sold at the same price (the "Striking Price") save as referred to in 3 below and the Striking Price will be not less than the minimum tender price of 80p per Share.

2. If applications are received for more than the total number of Shares offered, the Striking Price will not exceed the highest price at which sufficient applications (including applications at above that price) are received for the total number of Shares offered but may be a price lower than such highest price. If applications are received for less than the total number of Shares offered, the Striking Price will be the minimum tender price of 80p per Share. Subject to the foregoing, Simon & Coates will have complete discretion in deciding the Striking Price and the basis of allocation. In so deciding Simon & Coates will have regard inter alia to the need to establish a satisfactory market in the Shares. No allocation will be made in respect of applications at prices below the Striking Price save as referred to in 3 below.

3. Up to 100,000 Shares, which will then be allocated at the minimum tender price of 80p per Share, are reserved in the first instance for applications from employees (including Directors of the Company and its subsidiaries) other than persons who have agreed to sell Shares to Simon & Coates pursuant to the Offer for Sale agreement. Such applications must be made on the special pink application forms which are being made available to such employees. These will be valid provided that the amount of money to be exceeded is not more than £400 per application. In the event of excess applications being received from such employees, the basis of allocation among them will be determined by Simon & Coates, at its discretion.

4. The Striking Price and the basis of allocation will be announced on or as soon as possible after Tuesday 24th May 1983.

General

1. Acceptance of applications will be conditional on permission being granted by the Council of The Stock Exchange for the whole of the issued share capital of the Company to be dealt in on the Unlisted Securities Market of The Stock Exchange not later than 10th June 1983. Money paid in respect of all applications will be returned if such condition is not satisfied by that date and in the meantime will be retained by The Royal Bank of Scotland plc in a separate account.

2. Renounceable Letters of Acceptance are expected to be despatched to successful applicants on 25th May 1983. If any application is not accepted, or is accepted for fewer Shares than the number applied for, or is accepted at a lower price than that tendered, the application monies or the balance of the amount paid on application will be returned by cheque through the post, in all cases without interest.

3. Letters of Acceptance will be renounceable up to 3.00 p.m. on 17th June 1983. The Shares now being offered for sale will be registered free of stamp duty in the names of the purchasers or persons in whose favour Letters of Acceptance have been renounced, provided that, in the case of renunciation, Letters of Acceptance duly completed in accordance with the instructions contained therein are lodged for registration on or before 3.00 p.m. on 17th June 1983. Share certificates will be despatched by first class post on 15th July 1983.

4. Dealings in the Ordinary Shares of the Company are expected to commence not later than 26th May 1983.

5. All documents and cheques sent by post will be sent at the risk of the person(s) entitled thereto.

Availability of Copies

Copies of this Offer for Sale are available in London from:

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1 London Wall Buildings
London EC2M 5PT

and

The Royal Bank of Scotland plc
New Issues Department
24 Lombard Street
London EC3V 9BA

Outside London copies are available from:

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PO Box 347
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Barclays Bank PLC
25 James Street
Harrogate
North Yorkshire HG1 1QX

and

Ronald Teeman & Co.
Aire House
12 Swinegate
Leeds LS1 4AG

APPLICATION FORM

The application list for the Ordinary Shares now offered for sale will open at 10.00 a.m. on Monday 23rd May 1983 and may be closed at any time thereafter.

This form must be lodged with or posted to The Royal Bank of Scotland plc, New Issues Department, 24 Lombard Street, London EC3V 9BA, with a cheque or banker's draft representing payment in full at the application price, in each case so as to arrive not later than 10.00 a.m. on Monday 23rd May 1983. Cheques and banker's drafts must be drawn in sterling on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through facilities provided for the members of those Clearing Houses (and must bear the appropriate sorting code number in the top right hand corner) and must be made payable to "The Royal Bank of Scotland plc" and be crossed "Not Negotiable", and are liable to be presented for payment on receipt. A separate cheque or banker's draft must accompany each application. No application will be considered unless these conditions are fulfilled. Photostat copies of application forms will not be accepted.

Applicants are advised to use first class post and to allow at least two days for delivery.

ADAM LEISURE GROUP PLC

(Registered in England under the Companies Acts 1948 to 1976 No. [illegible])

Offer for Sale by Tender
by Simon & Coates

of 5,000,000 Ordinary Shares of 10p each at a minimum tender price of 80p per Share
the price tendered being payable in full on application

*Applications must be for a minimum of 100 Shares; applications for not more than 1,000 Shares must be in multiples of 100 Shares; for over 1,000 Shares and not more than 5,000 Shares in multiples of 500 Shares; for over 5,000 Shares and not more than 10,000 Shares in multiples of 1,000 Shares; and for over 10,000 Shares in multiples of 5,000 Shares.

**The price per Share at which application is made must be indicated here and must be 80p or a higher price being a whole multiple of 1p.

***The number of Shares applied for multiplied by the price per Share at which application is made.

*Number of Shares for which application is made	**Price per Share at which application is made	***Amount of cheque enclosed
	p	£

All 3 boxes must be completed

To: SIMON & COATES

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Please use Block Capitals

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AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

[illegible]

Offshore and Overseas—continued

[illegible]

Com&FFFd(Acc) 102.78 107.06 +4.03
Com&FFFd(Dist) 102.78 107.06 +4.03
Next dealing June 6.

DunVest Ltd
PO Box 887, Grand Cayman
NAV May 1 $126.00 —

Framlington Overseas Fund Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 26541

O'seasInc&Gth — 50.0 —

Manufacturers Hanover Geofunds
PO Box 92, St Peter Port, Guernsey. 0481 23961

LA Inc $105.26 105.48 ... —
LA Acc$ $121.19 121.45 ... —

OC International Reserves Ltd

Bel Francs	BFr839.66	+0.20	9.01
Canadian $	C$36.05	+0.005	7.90
D-Mark	DM50.285	+0.005	3.77
Dutch Guilder	Fls49.805	+0.005	4.26
French Franc	FFr158.33	+0.045	11.05
Italian Lire	L35.534	+13.0	13.11
Japanese Yen	Y6 188.38	+0.89	5.15
Singapore $	S$62.64	+0.015	7.89
£ Sterling	£14.018	+0.003	9.41
Swiss Francs	SwFr45.426	+0.004	3.08
U.S. $	$28.735	+0.005	7.96

Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Offshore and Overseas—continued

[illegible]

Insurances—continued

[illegible]

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LONDON TRADED OPTIONS

Option	CALLS July	CALLS Oct.	CALLS Jan.	PUTS July	PUTS Oct.	PUTS Jan.
Brit. Petroleum (*374)						
300	86	92	—	2	3	—
330	56	62	—	4	8	—
360	35	46	54	12	18	25
390	22	30	38	28	34	40
420	10	18	—	50	56	—
Cons. Goldfields (*658)						
460	110	117	—	4	8	—
500	80	85	92	8	22	28
550	40	52	65	25	40	47
600	20	28	40	54	60	70
Courtaulds (*90)						
70	31	33	—	1	2	—
80	21	24	26	1½	3	4
90	14	17	19	3½	5	7
100	7½	10	12	8	10	12
Commercial Union (*163)						
120	47	50	—	1½	1½	—
130	37	41	—	2	3	—
140	28	33	36	2¾	5	7
160	13	19	23	9	11	13
180	6	12	15	22	25	28
G.E.C. (*214)						
180	46	54	—	3	7	—
200	30	38	46	6	11	16
220	22	28	36	16	22	27
240	12	20	26	28	32	38
260	5½	—	—	48	—	—
Grand Met. (*333)						
280	65	—	—	3	—	—
300	46	52	59	6	9	13
330	28	35	44	14	17	19
360	18	25	31	31	33	36
390	8	16	—	59	60	—
I.C.I. (*454)						
330	136	—	—	3	—	—
360	106	114	—	3	4	—
390	80	88	—	5	7	—
420	54	66	72	9	14	22
460	32	44	62	22	34	38
500	14	28	34	52	58	62
Land Securities (*306)						
260	50	57	—	2	—	—
280	31	38	—	4	9	—
300	17	26	34	9	14	19
330	5	15	22	31	35	39
Marks & Spencer (*201)						
180	28	34	—	4	7	—
200	18	26	33	10	14	16
220	10	15	22	23	24	26
240	3	—	—	40	—	—
Shell Transport (*486)						
390	110	114	—	1½	3	—
420	80	86	—	3	8	—
460	42	50	58	8	16	22
500	24	32	40	26	34	42
550	8	14	—	68	72	—

Option	CALLS May	CALLS Aug.	CALLS Nov.	PUTS May	PUTS Aug.	PUTS Nov.
Barclays Bank (*458)						
360	100	110	—	2	2	—
390	70	80	—	2	3	—
420	40	60	72	2	9	15
460	6	33	50	5	23	32
500	2	15	25	45	50	60
Imperial Group (*110)						
90	21	—	—	0½	—	—
100	11	—	—	1	—	—
110	2	12	13	2	6	8
120	1½	6	8	11	13	15
130	1	3	4½	21	22	23
LASMO (*281)						
210	75	88	95	1	3	4
230	55	68	80	1	4	8
250	35	55	65	1	12	20
270	15	38	58	2	20	30
290	3	28	—	15	33	—
300	—	—	35	—	—	43
320	1	16	—	40	50	—
330	—	—	25	—	—	63
350	1	—	—	—	—	—
380	1	—	—	—	—	—
Lonrho (*88)						
80	8½	13	15	1	3	3½
90	0½	7	9	2½	7	9½
100	0½	3½	5	12	14	17
P. & O. (*157)						
100	58	64	—	0½	1	—
110	48	54	—	0½	2	—
120	38	44	48	0½	2	1
130	28	35	39	0½	2	4
140	18	28	32	0¼	4	8
160	2½	18	23	6	12	17
Racal (*469)						
420	54	80	96	2	9	14
460	15	50	65	7	22	30
500	2	32	42	32	44	53
550	2	20	—	82	82	—
600	2	6	—	132	132	—
650	2	—	—	182	—	—
R.T.Z. (*579)						
390	194	—	—	0½	—	—
420	164	180	—	0½	—	—
460	124	140	—	0½	3	—
500	84	105	117	1	8	14
550	34	72	80	2	18	34
600	2	40	52	24	47	54
Vaal Reefs (*125)						
90	35½	36½	39½	1	1	2½
100	25½	27½	32½	1	2½	5½
110	15½	22	27½	0¼	5	8
120	5	16½	25	1	9	11½
130	1	11	16½	6	13½	16½
140	1	6	11	—	—	—

Option	CALLS June	CALLS Sept.	CALLS Dec.	PUTS June	PUTS Sept.	PUTS Dec.
Beecham (*380)						
360	40	55	63	11	14	20
390	25	40	50	25	30	40
420	8	25	32	45	46	55
Guest Keen (*155)						
135	25	30	34	2	6	8
155	13	18	21	8	12	15
175	4½	9	12	20	23	26

Total Contracts 6,289 Calls 5,218 Puts 1,071
* Underlying security price.

*

International Capital Markets Review

Every Monday the Financial Times publishes a review of the previous week's activity in the international bond markets.

This synopsis of the Euromarkets together with a comprehensive tabular list of current international bond issues offers the reader a detailed and thorough weekly study of one of the most important financial mechanisms in the world today.

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*

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum	105.4	111.0	0.4	—
Do Initial	103.7	109.2	0.4	—
Man Pens Accum	231.0	243.2	0.9	—
Do Initial	194.9	104.3	-0.9	—
Gilt-Edg.Pens Accum	200.6	211.2	0.3	—
Do Initial	162.1	170.7	-0.3	—
Money Pens Accum	179.6	189.1	+0.2	—
Do Initial	146.9	154.7	+0.2	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man Fd		727.89		—
Managed Inv. Fd	154.39	162.52		—
Property Fd	138.73	156.04		—
Fixed Interest Fd	140.65	148.06		—
Cash Fd	133.37	140.39		—
Income Fd	159.68	168.09		—
Extra Income Fd	154.82	162.97		—
Worldwide Growth Fd	212.89	224.10		—
Balanced Fd	168.11	176.96		—
Smlr Co's & Recy Fd	197.96	208.38		—
Int. Technology Fd	243.52	256.34		—
Nth Amer. & Gen. Fd	158.05	166.37		—
Energy Int. Fd	94.12	99.08		—
Pacific Basin Fund	123.39	129.89		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	98.6	99.5		—
International	119.7	126.0		—
Property	103.4	108.8		—
Deposit	97.0	102.1		—
Fixed Interest	96.2	101.2		—
Managed	104.6	110.1		—
Equity Pens Cap	92.8	97.7		—
Intnl Pens Cap	125.9	132.5		—
Property Pens Cap	103.9	109.4		—
Deposit Pens Cap	96.2	101.2		—
Fixed Int Pens Cap	95.0	100.0		—
Managed Pens Cap	106.3	111.9		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth May 1		93.6		—
Rtmt. Fed. May 6		233.0		—
Managed Pen Fund	174.2	183.4	-3.1	—
Property Pen Fund	110.2	116.0		—
Index Lnkd Pen Fund	116.2	122.3	-3.1	—
Managed	114.0	120.1	-0.1	—
Property	99.9	105.2	+0.3	—
Gilt and Fixed Interest	100.3	105.4		—
Index-Linked	100.7	106.1	-0.1	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	121.8	128.3		—
GT Pln High Yld Fnd	110.1	115.9	1.1	—
GT Plan Far East Fnd	98.8	104.1	0.1	—
GT Pln N Am Fund	154.3	162.5	-3.7	—
GT Pln UK&G E Fnd	124.0	130.6	-0.7	—
GT Pln Wrldwde Fnd	134.1	141.2	-0.2	—
GT Pension Bnd Fnd	130.8	137.7	-0.1	—
GT Pen High Yld Fd	123.7	130.3	-1.5	—
GT Pen Far East Fd	115.2	121.3	+0.3	—
GT Pen N Am Fd	217.0	228.5	-3.0	—
GT Pen UK & G E Fd	142.1	149.6	-0.6	—
GT Pen Worldwide Fd	143.2	150.8	-0.2	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St. EC3M 5DY 01-488 0733

Intl. Managed Bond	162.3	170.9		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd Acc		236.0	-4.5	—
Portfolio Fd. Inn.		198.4	-4.4	—
Portfolio Fd. Cap		227.1	-4.8	—
Investment Auts	235.9	248.4	-4.6	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,468		—
Landbank Secs		65.2		—
Landbank Scs. Acc	180.2	184.8		—
G. & S. Super Fd		£11,089		—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance

Property Bonds	299.9	312.3		—

GRE Linked Assurance Limited

Managed Initial	198.0	208.4	+0.7	—
Do. Accum.	217.7	229.2	+0.9	—
Equity Initial	244.3	257.2	-0.3	—
Do Accum	268.7	282.8	-0.3	—
Fixed Int. Initial	185.4	195.1	+0.3	—
Do. Accum.	203.9	214.6	+0.4	—
International Initial	201.1	211.6	-1.7	—
Do. Accum.	221.1	232.7	-1.8	—
North American Initial	98.5	103.7	+0.8	—
Do Accum	98.6	103.8	+0.6	—

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for May 17.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	97⅝	98⅛	-0⅛	-0⅜	10.65
Amro Bank 13 89	200	107⅞	108⅜	-0⅛	-0⅜	11.13
Bank of America 8 88 XW	150	88¾	90¼	0	0	10.75
Bank of Tokyo Hold 11 90	100	99⅝	100⅛	-0⅛	-0⅜	11.01
British Col Hyd 10¼ 88	200	99¼	99¾	-0¼	-0⅜	10.37
Canadair Ltd 12½ 89	175	107	107½	-0¼	-0⅜	10.95
Canadian Wheat 11¼ 90	50	101¾	102¼	-0⅜	-0⅜	10.92
CIBC 11 90	75	98½	98⅞	-0⅛	-0⅛	11.34
Coca Cola Int 9⅞ 92	100	26	26½	-0⅛	-0¼	10.52
Coca Cola Int 11¾ 89	100	104⅞	105⅜	-0⅛	-0½	10.57
Cred Suisse BAH 10½ 90	150	100	100½	-0½	-0⅛	10.43
Credit Suisse 10½ 89	100	102¾	103¼	-0⅜	+0¼	9.83
Den Norsk Cred 11¼ 93	50	97½	98	-0¼	-0¼	11.84
Du Pont 11¼ 85	150	103¼	103¾	-0⅜	-0½	10.09
E.D.C. 10⅞ 88	100	100⅝	101⅛	-0⅜	-0⅜	10.47
E.D.C. 11¾ 87	100	103⅛	103⅝	-0⅜	-0⅝	10.71
E.D.F. 11⅛ 93	100	97⅝	98⅛	-0⅛	-0⅝	11.49
E.E.C. 10¾ 85	75	96½	97	-0¼	-0⅝	11.25
E.E.C. 11½ 85	200	100⅜	100⅞	-0⅜	-0¼	11.38
E.I.B. 11 97	125	99½	100	-0½	-0¾	11.03
Forsmarks 13¾ 92	75	107⅝	108⅛	-0⅜	-0⅜	12.26
Fuji Int Fin 10⅞ 90	100	98¼	98¾	-0⅛	-0¼	11.19
Gaz de France 12¼ 93	175	101⅝	102⅛	-0⅛	-1⅛	11.91
Gen Elec Credit 9¾ 91	100	16	16½	0	-0⅜	10.44
Gen Elec Credit 12 89	100	106⅝	107⅛	-0⅜	-1	10.44
GMAC O/S Fin 10½ 90	200	100¾	101¼	-0¼	-0½	10.26
Gulf Oil Fin 12¼ 87	100	103⅞	104⅜	-0½	-1	10.97
Honeywell Int 10¾ 90	100	99½	100	-0⅛	-0¼	10.79
IBM World Trade 12¼ 92	200	109⅝	110⅛	-0¼	-0⅝	10.52
Indust Bk Japan 10⅞ 88	100	99⅛	99⅝	-0½	-0⅝	11.04
Japan Air Lines 10⅞ 88	42	96¾	97¼	-0½	-0½	11.28
Manitoba 11¾ 89	125	104¾	105¼	-0⅜	-0⅜	10.61
Merrill Lynch 10⅝ 90	200	99¼	99¾	-0⅛	-0½	10.73
Midland Int Fin 11½ 92	150	101⅝	102⅛	-0⅜	-0¾	11.14
Mitsubishi Corp 10½ 90	100	98¼	98¾	-0¼	-0¾	10.81
Nat West Fin 11¾ 92	150	103½	104	+0½	-0¼	11.06
Nippon Credit 11 90	100	99	99½	-0⅜	-0⅜	11.37
Nippon Credit 11¼ 93	100	98⅝	99⅛	-0¼	-0⅜	11.49
O.K.B. 10 91	100	95⅝	96⅛	-0¼	-0¼	10.79
Ontario Hydro 11¼ 89	200	103⅝	104⅛	-0¼	-0⅜	10.38
Ontario Hydro 12¾ 92	200	109⅛	109⅝	-0⅛	+0⅛	11.07
Prudential O/S 10⅛ 93	100	100	100½	-0¼	-0⅜	10.58
Prudential O/S 12¾ 87	150	107¾	108¼	-0⅜	-0½	10.36
Quebec Hydro 11½ 92 D	100	102⅛	102⅝	-0⅝	-1¼	11.06
R. J. Reynolds 12¾ 89	100	106¾	107¼	-0⅜	-0⅜	11.12
Saskatchewan Pr 10¾ 90	125	99⅝	100⅛	-0⅜	-0⅜	10.76
S.N.C.F. 11½ 93	100	99¼	99¾	-0½	-1	11.57
Sth Cal Edison 10½ 90	75	98⅛	98⅝	-0⅜	-0¾	10.83
Swiss Bk Corp 10¼ 90	125	102⅛	102⅝	+0⅜	-0⅛	9.78
Texaco Capital 9¾ 90	150	96⅛	96⅝	-0¼	-0½	10.51
U.B.S. 10 88	100	101¼	101¾	0	-1	9.60
U.B.S. 11 89	150	103¼	103¾	0	-0⅜	10.21
Walt Disney Pro 12½ 89	75	106	106½	-0⅜	-0¾	10.97
Westpac Int Fin 11 90	100†	97⅜	97⅞	-0⅜	-1	1.36
World Bank 10⅞ 88	150	99½	100	-0⅜	-0⅜	10.43
World Bank 10⅞ 93	100	100	100½	-0¼	-0⅜	10.82
World Bank 11⅝ 98	100	100	100½	-0½	-0⅜	11.87

Av. price changes: on day -¼, on week -½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 6⅞ 93	200	99⅞	100⅛	-0⅛	-0⅛	6.90
Bank of Tokyo 7¼ 90	100	99¾	100¼	-0⅛	-0⅛	7.22
Bayer Capital 7⅞ 89	150	104	104½	-0⅛	-0⅛	6.78
Caisse Nat Energie 8 93	100	99⅝	100⅛	-0⅛	+0⅛	8.01
Caisse Nat Tels 7¾ 93	200	97¾	98¼	0	0	8.01
E.C.S.C. 7½ 93	150	98⅝	99⅛	-0⅛	-0⅛	7.68
E.E.C. 7¾ 95	200	99⅞	100⅜	0	+0⅛	7.71
E.E.C. 8 94	200	100⅝	101⅛	-0⅛	-0¼	7.85
Escom 8½ 90	150	101¼	102	-0⅛	+0⅛	8.17
Eurofima 7½ 91	100	101⅜	102⅛	0	0	7.19
Ferrovie Dello 8⅜ 88	150	101⅞	102⅜	0	+0⅛	8.15
H.J. Heinz Int 8¾ 88	50	100¾	101½	0	+0⅛	6.45
Int-Am Dev Bk 7¾ 93	200	97½	98¼	-0¼	-0¼	8.07
Int-Am Dev Bk 8¼ 93	150	100¾	101½	-0¼	-0⅛	8.07
Ireland 8½ 90	150	101¼	102	-0⅛	-0⅛	8.17
Ireland 8⅞ 91	150	102¾	103	+0⅛	-0⅜	8.38
ITT Antilles 7 93	200	97⅞	98⅝	0	+0⅛	7.25
McDonalds Fin 7⅛ 92	100	101⅜	102⅛	+0⅛	0	6.88
Mitsui O.S.K. 7⅛ 88	100	100¼	101	-0⅛	-0¼	7.08
Mount Isa Fin 7⅞ 90	100	99	99¾	-0⅛	0	7.83
Quebec Hydro 8 93	200	102¼	103	-0¼	-0¼	7.58
Sweden Kingdom 8¼ 89	150	102½	103¼	0	+0½	7.56
Volkswagen Int 7¼ 93	200	97⅝	98⅜	0	0	7.54
World Bank 7¼ 93	200	97⅝	98⅜	0	0	7.54
World Bank 7½ 93	300	98½	99¼	-0¼	-0¼	7.66

Av. price changes: on day -⅛, on week -⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 5½ 95	100	98½	99¾	-0½	+0½	5.71
AKZO 5⅝ 93	100	98¼	99½	-0⅜	-0¾	5.84
American Express 4¾ 93	100	95	95¾	+0¼	-0¼	5.49
Asian D.B. 5⅞ 95	100	99	99½	0	-0⅛	5.96
BTR Finance 5⅝ 93	75	98	98¾	+0¼	+0¼	5.88
Carls-Tuborg Brw 5¾ 93	60	102	102½	0	-0⅜	5.45
Chujitsuya Co 5⅞ 93	50	97	97¼	-0½	-0⅛	6.27
E.I.B. 5¾ 93	100	99¼	99½	-0⅜	-0¼	5.83
Ex-Im Bk Japan 5 93	100	96¾	97	+0¼	0	5.42
Fuji Electric Co 6 93	100*	102	102¾	0	+1	5.71
Gothenburg Airport 6 93	50*	100	100¼	+0⅜	-0¼	5.98
HCA Finance 5 93	100	97½	98	0	-0⅜	5.30
Japan Dev Bank 5½ 93	100	98⅝	98⅞	-0⅜	-0⅜	5.78
Manitoba Prov 5¼ 93	100	101¼	101½	-0½	0	5.07
Nippon Express Co 6 93	50	101¾	102	+0¼	+1½	5.74
Nippon Kokan 5⅝ 83	100	95¼	95½	+0⅜	-0½	6.27
Norsk Hydro 5½ 98	100	97¾	98	-0¼	-0¼	5.71
Quebec Hydro 5½ 93	100	100	100¼	-0½	+0¼	5.48
Sekisui House 6 93	100	100	100¼	-0½	-0¼	5.98
Shikoku Elec Pow 5⅝ 93	100	97¾	98	-0¼	0	5.91
Tohoku Elec Power 6 93	100	100¼	100¾	+0¼	0	5.81
Transcanada Pipe 5⅝ 93	100	98¾	99	0	-0¼	5.90
Trizec Corp 6¼ 91	100	102	102¼	+0⅜	0	5.58
Union Bk Norway 5⅝ 93	60	97	97¼	-0⅜	-0¼	5.73
Volvo 5⅞ 91	60	100	100¼	0	+0½	5.35
World Bank 5½ 93	100	99¼	99½	+0⅜	0	5.58

Av. price changes: on day -⅛, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅞ 92	15	105⅝	106⅛	0	-0⅛	7.77
E.I.B. 8¼ 92	15	102⅞	103⅜	+0⅛	+0¼	7.73
Japan Airlines 7⅞ 87	9†	101½	102	-0⅛	-0⅜	7.31
New Zealand 7⅞ 89	15	101⅜	101⅞	0	-0⅛	7.28
World Bank 8⅞ 92	20	103⅝	104⅛	-0⅜	0	7.74

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 90 CS	50†	99¼	99¾	0	0	12.58
Farm Credit 12¼ 93 CS	50†	102⅞	103⅛	-0⅛	-0¼	11.59
Inspro Pipe 12¼ 93 CS	50†	99¼	99¾	0	0	12.33
Mont Trust 12½ 90 CS	20†	98	99	0	+0¼	12.82
Pancanadian 12½ 93 CS	50†	100	100½	0	0	12.44
Quebec Hydro 14 92 CS	60†	107½	108½	0	0	12.48
Swed Exp CR 12¼ 88 CS	50†	103½	104½	0	0	11.08
E.I.B. 11⅜ 91 ECU	60	100½	101¼	-0⅜	-0⅜	11.56
Quebec Prov 11½ 89 ECU	50	99½	100	+0¼	+0¼	11.78
Austria 7½ 88 Fl	100	98⅜	98⅞	-0¼	-0⅜	7.84
Consol Foods 7¼ 88 Fl	100	97¾	98¼	-0¼	-0½	7.78
Nederland Gas 7½ 88 Fl	100	99⅝	100⅛	-0⅛	-0½	7.52
Philips Lamps 7¼ 88 Fl	100	99½	100	-0¼	-0½	7.30
Quebec Prov 7½ 88 Fl	100	98⅞	99⅜	-0⅛	-0⅜	7.71
World Bank 7 88 Fl	150	97⅜	97⅞	-0⅛	-0½	7.61
O.K.B. 14 86 FF	400	99¼	100¼	0	+0⅛	14.04
Solvay & Cie 14¾ 88 FF	200	100⅜	101⅜	0	0	14.29
B.F.C.E. 11½ 88 £	50	97⅝	98⅛	0	-0¼	12.06
B.F.C.E. 14½ 87 £	30	107⅝	108⅛	0	+0¼	11.86
British Oxyg 11¾ 91	50	98½	99	-0⅛	-0⅜	12.06
C.N.T. 12⅞ 89 £	20	101⅞	102⅜	0	+0⅛	12.32
E.E.C. 11⅞ 91 £	50	100	100½	0	+0⅛	11.77
Fin For Ind 12¼ 88 £	30	103¾	104¼	+0⅛	+0⅜	11.12
Fin Mut Ocanj 12⅜ 92 £	30	103¼	104	0	0	11.96
Gen Elec Co 12½ 89 £	50	104⅞	105⅜	-0⅛	-0⅜	11.15
Mort Bk Fin 11¾ 89 £	15	96⅞	97⅜	0	-0⅛	12.32
Norsk Hydro 12 90 £	30	101¼	102	-0¼	-0½	11.61
Norsk Hydro 14½ 87 £	30	107¾	108¼	-0⅜	0	11.83
Quebec 14½ 89 £	30	109⅝	110½	+0⅛	0	12.17
S.D.R. France 15½ 92 £	30	107⅛	108⅛	-0⅛	+0½	13.83
S.N.C.F. 11½ 88 £	30	97⅜	98⅜	0	-0⅛	11.95
Tenneco Int 14¾ 87 £	30	108¾	109¼	0	+0¼	11.88
World Bank 11⅛ 91 £	75	98⅝	98⅞	0	+0¼	11.57
Euratom 11 93 LuxFr	500	104	105	+0½	+0⅛	10.23
Eurofima 10¾ 93 LuxFr	600	103¼	104¼	+0⅛	+0⅜	10.13

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0¼	99⅞	100⅜	10/6	9¾	9.74
B.F.C.E. 5¼ 87	0¼	99½	99¾	27/7	9.94	9.97
B.F.C.E. 5¼ 88	0¼	99	99½	28/7	9¼	9.32
Caisse Nat Tels 5⅛ 90	0¼	99¼	99¾	21/10	9.56	9.61
C.C.F. 5⅛ 95	0¼	99½	99¾	7/10	10.19	10.23
C.C.F. 5¼ 88	0¼	99¾	100	24/8	9.94	9.95
Cepme 5¼ 88 WW	0¼	98¾	99¼	3/6	5¼	5.29
Cepme 5¼ 92	0¼	99⅜	99⅝	10/6	9.84	9.98
Chemical NY 5¼ 94 ††	0¼	100⅛	100⅜	23/6	9¾	9.85
Credit Agricole 5¼ 97	0¼	99½	100	24/9	10	10.03
Credit du Nord 5¼ 92	0¼	99⅜	99½	23/6	10⅛	10.23
Credit Lyonnais 5¼ 94	0¼	99⅛	99⅝	5/7	9⅝	9.82
Credit Lyonnais 5¼ 97	0¼	99½	99¾	1/10	10.06	10.10
Credit Nat 5¼ 94	0¼	99	99½	9/9	9¼	9.32
E.D.F. 5¼ 95 XW	0¼	99¼	99½	10/8	10	10.06
Kansallis Osake 5½ 92	0¼	98⅝	99⅛	6/11	9¼	9.15
Long Term Cred 5¼ 92	0¼	99¾	100	27/5	10¼	10.14
J.P. Morgan 5¼ 97 S	0¼	100⅛	100⅜	12/8	9	8.96
New Zealand 5¼ 87	0⅛	100¼	100½	7/10	10.06	10.02
NZ Steel Dev 5¼ 92	0¼	100	100¼	22/6	10.18	10.18
Nippon Credit 5⅛ 90	0⅛	99⅞	100⅜	10/8	9⅝	9.86
Scotland Int 5¼ 92	0¼	100⅛	100⅜	23/9	9.94	9.91
Sec Pacific 5¼ 91 †	0⅛	100⅛	100⅜	24/5	10.06	10.04
Société Générale 5¼ 95	0¼	98⅞	99⅜	1/9	9½	9.56
Standard Chart 5¼ 91	0⅛	99¾	100⅛	10/5	10.06	10.01
Sweden 5¼ 88	0¼	99½	99¾	26/8	9⅝	9.69
Sweden 5¼ 93	0¼	99⅞	100⅛	3/8	10.19	10.19

Av. price changes: on day 0, on week -⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	848.2	99⅞	100⅛	-0⅜	6.48
Bridgestone Tire 5½ 96	3/82	470	100¼	100¾	-0⅜	2.38
Canon 7 97	7/82	748.2	188½	190½	+2¾	1.75
Fujitsu Fanuc 4½ 96	10/81	4491	119½	121½	+0⅜	5.85
Hitachi Cable 5¼ 96	2/82	515	94⅛	96⅛	-0¼	-1.80
Honda Motor 5½ 97	3/82	758.2	109⅝	111¼	-0⅜	-2.19
Kawasaki 5¼ 96	9/81	228	79⅝	81⅜	+0⅜	19.12
Kumagai Gumi 6½ 97	10/82	400	110⅛	112½	-1⅛	9.93
Kyowa Hakko 6¼ 97	2/83	762	101⅝	103½	-0⅜	6.14
Marui 6 96	7/81	788.5	124⅝	126¼	0	3.58
Minolta Camera 5 96	10/81	826.4	80	81½	-1⅜	30.18
Mitsubishi Electric 5⅛ 98	6/83	396	95¼	96¼	-1	8.48
Murata 5¼ 98	7/81	1714	111⅞	113⅞	+0⅛	4.85
Nippon Electric 5¼ 97	2/82	785.8	130¾	132¼	+1⅜	5.71
Nippon Oil Co 5½ 98	4/83	964	101	102¼	-0⅛	8.87
Nissan Motor 5⅝ 98	4/83	770	95	96¼	+0¼	-8.51
Olympus Optical 6¾ 97	12/82	1331	94¼	95¾	-0⅛	6.78
Orient Finance 5¼ 97	3/82	927.2	104	105½	-1¼	-0.26
Sumitomo Electric 5½ 97	3/82	577.3	97⅛	99⅛	-0⅛	-8.55
Sumitomo Metal 5¼ 96	10/81	296.1	74⅝	76⅛	-1⅛	42.58
NEC Corp 3½ 93 SF	8/83	978	107	108	-0½	5.44
Sanyo Electric 3½ 93 SF	5/83	501	101½	103½	-0⅛	10.31
Konishiroku 6⅞ 88 DM	6/82	816	112¼	113¼	+0½	6.57
Mitsubishi Heavy 6 89 DM	2/82	263	107	108	-0⅜	16.07
Sum Realty 6¼ 92 DM	2/83	385	116½	117½	-0⅜	8.87

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. C. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
$68	F.P.	20/5	103	82	✦Bensons Crisps 10p	88	-5	g1.9	2.1	3.3	18.6
†315	F.P.	17/5	315	300	Boase Massimi Pollitt	300	-5	b4.5	2.8	2.1	23.4
$110	F.P.	3/6	160	118	✦Bryant (Derek) 10p	118	-2	u3.28	2.0	4.4	11.5
$80	F.P.	—	79	76	Castle (G.B.)	76	...	b2.5	1.9	4.7	15.4
115	F.P.	—	128	116	✦Chem. Meth. Ass Inc	115	-5	bQ5.4	2.8	3.2	13.0
†225	F.P.	6/6	263	220	Datastream 5p	224	-1	b3.25	2.8	1.9	24.4
" "	F.P.	—	80	65	Don Bros. Buist	75	+3	b3.3	2.6	6.6	6.4
$14	F.P.	31/5	15	14	Edmond Hldgs. 10p	14	...	b1.0	1.1	10.3	12.7
$587	F.P.	—	625	595	Int'l Income Property	595	-5	Q80c	—	8.6	—
" "	F.P.	—	60	34	✦IntervisionVideo10p	40	-2	1.0	2.1	3.6	15.9
$80	F.P.	20/5	135	110	✦Lorin Elect. 20p	115	-5	b1.0	5.0	1.2	19.2
$32	F.P.	10/6	43½	38½	MCD	40½					
$70	F.P.	15/6	82	75	✦Mellerware 10p	75	-5	u3.58	2.3	4.8	12.9
$94	F.P.	20/5	155	140	✦Microlease 10p	150	-5	ud2.0	2.5	1.9	24.5
$60	F.P.	27/5	145	113	✦Miss World Grp. 10p	113	...	b3.0	2.5	3.8	13.3
††65	F.P.	16/5	83	64	✦Mnemos 10	64	-1				
†350	F.P.	27/5	368	348	Octopus Publish. 20p	355		t8.0	2.3	3.2	14.4
$246	F.P.	—	267	258	Perstorp AB Free 'B'	258	-1½	Q9.6%	2.2	5.8	28.6
" "	F.P.	—	37	27	✦Rivlin I. D. & S. 5p	35		F0.1	—	0.4	—
$134	F.P.	27/5	150	130	✦Securiguard 5p	130		b1.75	2.6	1.9	27.1
$105	F.P.	10/6	150	120	✦Spring Ram 10p	120	-5	u3.0	2.3	3.6	14.1
$47	F.P.	3/6	80	65	✦Strikes Rests. 10p	65		g1.85	5.0	5.1	13.2

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
¶†100p	F.P.	16/5	120	100	✦Booth 10% Con. Uns. Ln. 1990	100	...
—	£20	28/10	20½	19¼	Bristol 11¼ pc Red. 2012	19½	...
—	£25	26/8	25	23¾	Brixton Est. 11¼pc Deb.	25¼	-¼
‖100p	F.P.	12/5	117p	110p	East'n Prod. 10½% Con. Ln. 1997-2002	110p	-2
¶101	£10	28/7	12	11¼	Folkestone Water 7% Pref. 1988	11¼	...
—	—	—	100⅛	99	Nationwide B. S. 10⅛% Bds. 25/4/84	99⅞	-⅛
$100	£25	7/7	23	21½	N'castle&G'headWater11½%RedDb2000	23	
**	F.P.	24/6	102	99¾	NewThrogm'rt'n Tst. 12½% 2003	100¼	+¼
95.89	£30	15/9	30½	29½	New Zealand 11¼% 2008	29½	...
99.783	F.P.	17/6	99⅛	99⅛	Securities Tst of Scot. 12% 2003	99⅛	...
"	F.P.	12/5	112p	96½p	Tomatin Dist. 7pc Cnv. Pref.	99	+1
$98.578	£25	31/8	24	22½	Trafford Park Est. 11¼% 2007-11	22½	...
100p	F.P.	15/6	112p	104p	Wellman Eng. 10% Irr. Pref.	104p	...

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date (●)	Latest Renunc. date (■)	1983 High	1983 Low	Stock	Closing price	+ or −
35	Nil	20/5	17/6	14pm	4pm	Anvil Pet. 20p	4pm	...
21.R.3.30	Nilpd	—	—	7½pm	7½pm	‡‡Atlantic Res.	7½pm	...
A$3.80	Nil	—	—	83pm	73pm	CRA	77pm	+4
42	F.P.	—	6/6	58	40	Combined Tech. 10p	40	-2
85	F.P.	—	3/6	124	111	Dubilier 5p	117	...
125	Nil	—	17/6	25pm	16pm	EIS	18pm	+1
14	Nil	19/5	31/5	1½pm	½pm	Edmond Hlds. 10p	½pm	-½
155	Nil	—	10/6	66pm	36pm	Electro Protective $0.05	37pm	+1
145	Nil	23/5	1/6	21pm	8pm	GKN £1	10pm	-1
146	Nil	—	22/6	11pm	7pm	Hawley Grp.	9pm	-1
100	Nil	—	17/6	44pm	34pm	Mellins 5p	44pm	...
290	F.P.	6/5	10/6	365	345	Mills & Allen	345	...
45	Nil	—	—	2pm	2pm	Myson Group 10p	2pm	...
1.25	Nil	13/5	24/6	17½pm	14pm	Norton (W.E.) 1p	17½pm	...
150	Nil	—	17/6	12½pm	10pm	Rightwise 10p	10pm	...
—	F.P.	6/5	3/6	38	18½	Sheffield Brick	32	...
178	Nil	—	21/6	24pm	8pm	Spirax-Sarco	8pm	+2
390	F.P.	—	10/6	452	430	Standard Chartered Bank £1	436	...
140	F.P.	—	—	280	245	Warehouse Gp.	280	...

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Montreal seeks to borrow SwFr 100m

BY MARY ANN SIEGHART IN LONDON

MONTREAL Urban Community is raising SwFr 100m on the Swiss capital market through a 10-year bond with an indicated yield of 5¾ per cent. Credit Suisse will finalise the terms on May 20.

A DM 150m private placement for Audi, part of the Volkswagen group, scheduled to be launched yesterday in the German market, did not appear. Commerzbank, the lead manager, said talks were still continuing on the issue.

European bond markets were quiet yesterday. In Switzerland, prices eased slightly, while in the D-Mark and dollar sectors they fell by about ¼ point. Dealers cited a weak New York market as the main negative influence.

There were no new issues in the dollar sector, though rumours were rife of a deal from Sumitomo. The issue is believed to be an interest rate swap and the $100m bond will probably be launched later this week by Salomon Brothers.

Also in the offing are deals from TDK and the Commonwealth Trading Bank of Australia.

ITT plans flotation

BY JOHN WICKS IN ZURICH

ITT FINANCIAL Corporation, of St Louis, is to float its first Eurobond issue "probably within the next three months and certainly by the end of the year," according to Mr W. Gene Gerard, company treasurer. He said the issue would be of between $50m and $100m and be undertaken by an offshore affiliate in the Dutch Antilles.

The company, itself a subsidiary of the ITT group, is active in the field of consumer instalment lending and commercial instalment and revolving credit. It is also in the process of acquiring Newport Balboa Savings and Loan, a small mortgage company in California.

Gross receivables of ITT Financial have grown at an annual average rate of 22 per cent since 1964 to reach $3.92bn last year. Net income in 1982 was $72.1m, representing a 15.4 per cent return on equity.

Mr Robert E. Laws, chairman and president, said significant further growth is expected in the coming five years, even though this is unlikely to be at the same rate as in recent years.

INTERNATIONAL APPOINTMENTS

New president for United Technologies

● UNITED TECHNOLOGIES CORPORATION has elected Mr Robert J. Carlson as president. Chairman Mr Harry Gray had held both positions. Mr Carlson was elected as a result of the board's decision to accelerate its plan to name a president by year's end following the resignation of Mr Peter L. Scott, executive vice president—electronics. Mr Carlson moves up from executive vice president—power. He joined United Technologies in July 1979 as group vice president and president of the corporation's Pratt and Whitney Group.

● Mr Jeffrey H. Coats has been nmed a banking officer in the international banking services department of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO. Mr Coats serves customers in the Middle East.

● Mr A. L. Brend has been elected an executive director of COMMERCIAL UNION, effective July 4. He has also been appointed president and chief operating officer of the U.S. holding company, Commercial Union Corp. (CUC) from July 11. Mr H. H. Ward will continue as chief executive officer of CUC chief executive officer of CUC until November 30 when he will retire, but he will continue to be a Director. It is intended that Mr Brend will succeed Mr Ward as chief executive officer from December 1. Mr A. B. Marshall, recently elected chairman of CUC's London based parent, Commercial Union Assurance, has been elected chairman of CUC, replacing Mr J. F. G. Emms who remains a director. Mr K. J. Duffy, a UK divisional director, has been appointed a senior executive vice-president of CUC from July 11.

● Mr Charles E. Exley Jr., president of NCR CORP, has been designated chief executive officer. Three senior officers, along with Mr Exley and Mr Williams. Mr Anderson, NCR's chairman, will comprise the office of the chief executive. Each will have the title of executive vice-president. They are Mr William F. Buster, formerly senior vice-president, development and production group; Mr Manuel Garcia, formerly senior vice-president; and Mr Donald J. Herman, formerly chairman of NCR Comten Inc.

● AMERICAN EXPRESS COMPANY has named Mr John J. Perrell III vice-president, corporate accounting and reporting. The board also elected him assistant comptroller. He previously served as director, financial reports, corporate accounting and reporting at American Express.

Bond for Credit Agricole

By Our Financial Staff

CREDIT AGRICOLE, the major French bank, plans to raise FFr 4.5bn ($600m) on the Paris bond market.

The issue – the largest private sector offering this year – will take the form of FFr 4bn in fixed rate paper with the balance offering a variable coupon.

Terms of the fixed rate are eight years with a 14.8 per cent coupon at 99.78. Dealers said in Paris yesterday that the terms were broadly in line with comparable market yields.

Also planned for this week are two bonds totalling FFr 900m for the Caisse Centrale des Banques Populaires.

In West Germany, the state of North Rhine-Westphalia is raising DM 800m through a 10-year bond with a coupon of 7¾ per cent. Priced at 99¾, the issue will go on sale today.

Dealers said the terms were a concession to the weakening market. Yields on 10-year bonds were averaging around 8.05 per cent yesterday.

In the Netherlands, the Central Bank will offer 5¾ per cent special advances at tender tomorrow for the period up to May 25 in order to smooth the Dutch money markets. The previous week's were at 5½ per cent.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	10	91 B	—	—	—	—	$441
GOLD C	$375	2	66 B	—	—	—	—	"
GOLD C	$400	27	41	—	—	5	60	"
GOLD C	$425	60	16 B	—	—	—	—	"
GOLD C	$450	674	1 B	20	22 B	—	—	"
GOLD C	$475	12	0.10	198	10	—	—	"
GOLD C	$500	1	0.10	55	7.50	4	15	"
GOLD C	$550	—	—	15	2.50	2	8	"
GOLD P	$400	—	—	—	—	3	6	"
GOLD P	$425	161	0.50	22	10	—	—	"
GOLD P	$450	465	11 A	221	23	—	—	"
GOLD P	$475	56	34 A	195	40	—	—	"
GOLD P	$500	—	—	—	—	4	68 A	"
		June		Sept.		Dec.		
SILV C	F.10	2	3.20 B	—	—	4	3.80 B	F13.22
SILV C	F.13	—	—	—	—	19	1.90	"
SILV P	F.11	10	0.10	—	—	1	0.60	"
SILV P	F.12	—	—	5	0.55	—	—	"
SILV P	F.15	—	—	5	0.85	—	—	"
		July		Oct.		Jan.		
AKZO C	F.45	7	17	—	—	—	—	F.62
AKZO C	F.50	37	12.50	18	14 A	—	—	"
AKZO C	F.55	180	8	5	10	200	13 A	"
AKZO C	F.60	303	5.50	121	7.60	—	—	"
AKZO C	F.65	322	2.70	136	5	18	6.50	"
AKZO P	F.50	6	0.40	5	1.50 B	—	—	"
AKZO P	F.55	112	1	4	2.50	3	4.20	"
AKZO P	F.60	91	3.50	13	4.80	3	7	"
AKZO P	F.65	7	6.20	—	—	—	—	"
KLM C	F.150	59	7.50	9	13.50	—	—	F.146.50
KLM C	F.160	103	4	16	7.50	—	—	"
KLM C	F.170	32	2.80	—	—	—	—	"
KLM P	F.130	21	4	—	—	—	—	"
KLM P	F.140	59	6.70	—	—	—	—	"
KLM P	F.150	20	10.80	3	17	—	—	"
KLM P	F.160	2	16.50 A	—	—	—	—	"
PHIL C	F.30	—	—	10	16.90	—	—	F.46.30
PHIL C	F.35	15	11.60	5	12.20 B	—	—	"
PHIL C	F.40	20	7.50	21	8.40	10	9.90	"
PHIL C	F.45	43	4.20	48	6	30	7.80 A	"
PHIL C	F.50	739	2.40	110	4	21	5.60	"
PHIL P	F.35	—	—	5	0.60	—	—	"
PHIL P	F.40	230	1	16	1.80	3	2.80	"
PHIL P	F.45	207	2.40	—	—	26	4.10	"
PHIL P	F.50	32	5.70	4	6	—	—	"
RD C	F.90	25	29.30	—	—	—	—	F.119.40
RD C	F.100	76	19.50	16	19.60	—	—	"
RD C	F.110	360	9.90	249	11.40	4	13.60	"
RD C	F.120	229	4.40	91	6.70	72	7.90	"
RD C	F.130	141	1.70	238	3.80	5	6	"
RD P	F.100	10	0.70	13	2.60	—	—	"
RD P	F.110	40	2.30	25	5.20	—	—	"
RD P	F.120	35	7.30	—	—	—	—	"
UNIL C	F.190	—	—	24	14	—	—	F.199.50
UNIL C	F.200	107	5.10	60	9.30	—	—	"
UNIL C	F.220	221	2.30	12	4.50	—	—	"
UNIL C	F.240	40	0.90	2	2	—	—	"
UNIL P	F.180	27	1.80	—	—	—	—	"
UNIL P	F.190	21	6.50	7	7	—	—	"
UNIL P	F.200	26	10.50	30	13	1	17	"
UNIL P	F.220	16	27.80	3	28.50	—	—	"
		May		Aug.		Nov.		
12¾ NL 81 87-91								
C	F.127.50	—	—	15	1.80	—	—	F.127.90
C	F.130	—	—	12	1.30	14	2.20	"
C	F.135	—	—	—	—	104	1	"
P	F.125	—	—	233	1	—	—	"
P	F.127.50	—	—	10	2.40	—	—	"
P	F.130	215	2.50	50	4	10	5	"
10¾ NL 80 86-95								
C	F.105	34	4.80	—	—	—	—	F.110.20
C	F.107.50	10	2.40	—	—	—	—	"
C	F.110	5	0.20	500	1.30	—	—	"
11¼ NL 82 88-92								
C	F.110	400	1.70	—	—	—	—	F.112.20
C	F.112.50	—	—	20	1	—	—	"
P	F.115	10	3.20	30	4.50	10	5	"
P	F.117.50	49	6	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 11,792

A=Asked B=Bid C=Call P=Put

A FINANCIAL TIMES SURVEY

GOLD

JUNE 23

The Financial Times is proposing to publish a Survey on Gold in its issue of 23rd June to coincide with the Financial Times World Gold Conference—The outlook for Gold and Silver. The provisional editorial synopsis is set out below.

1. Introduction The Gold market prospects for Gold price movements in the year ahead, etc.
2. Gold in the World Monetary System
3. Futures markets
4. London bullion brokers
5. Production
6. Demand
7. Coins
8. Mining shares

Copy date June 10

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Wednesday May 18 1983

ØØ

U.S. and Soviets to discuss grain sales, Page 37

WALL STREET

Money bulge continues to discomfort

STOCK PRICES on Wall Street remained yesterday under the cloud cast by the resurgence in M1 money supply, which has depressed the bond market and left equities to fend for themselves, *writes Terry Byland in New York.*

In the share market, selling, which was restricted to Blue Chip stocks, died away at midday and over the broad range of the market, prices turned higher. The Dow Jones industrial average, below 1,200 in early trading, closed 2.81 up at 1,205.79.

Turnover was moderate with only 79.9m shares traded, but the firmness of the market was displayed in 962 shares with gains and compared with 657 with losses.

Analysts in the credit markets now predict that money supply will be uncomfortably high throughout this month as distortions in the April totals work *through the system.*

By the end of the morning sellers of equities were gradually outnumbering buyers and profit-taking was evident in the market leaders.

IBM at $113⅝ was $1⅛ down, with the shares gaining little benefit from predictions that the group was about to introduce a 256K Ram semiconductor chip.

A flow of corporate trading results kept the retail share sector busy and confirmed market belief that the economic recovery is now showing through to consumer spending levels.

Among retailers to advance after disclosing higher first-quarter profits were Allied Stores, $1⅝ up at $46¾, and May Department Stores $1½ up at $53⅞.

K-mart, the largest of the discount retailers, added $⅝ to $31⅛ after a sharp rise in earnings had confirmed market expectations.

Ford Motor at $50⅝ gained $⅝ and provided the firm spot in a dull motor sector. General Motors lost $⅝ to $69 and Chrysler shed $26⅞.

Oil stocks gave up $⅛ to $⅝ with Exxon at $33⅝, Mobil at $30⅝ and Standard Oil of California at $39.

In mixed airline shares, Pan American held firm at $6½ but Eastern, which is negotiating another deal with its employees, lost $⅜ to $8½.

Shares in Lockheed, the aerospace defence group, gained $1¼ to $114¾ after the board said it was not considering a return to cash dividends but might consider splitting the stock.

Also in the aircraft trading sector, there was a brisk turnover in shares of McDonnell Douglas as investors assessed the outlook of the plane builders. At $58½ McDonnell shares fluctuated around their overnight level throughout the session.

There was a fall of $⅝ to $27⅝ in Prime Computer after the board warned that profits would be lower in the second quarter.

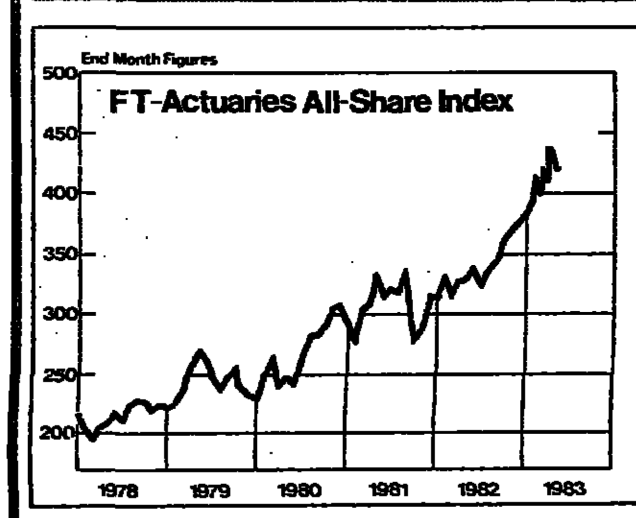
In the Treasury Bill market, discounts adjusted to the levels of Monday's auction which was on a smaller scale than usual since Congress has yet to confirm the needed increase in Treasury debt ceilings.

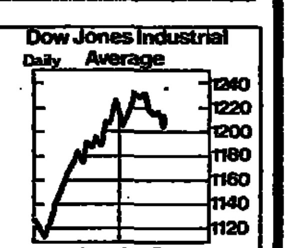
Three-month Bills were at a discount of 8.12 per cent and the six-month at 8.19 per cent, both slightly lower than overnight. With Federal Funds rate higher again at 8¾ per cent the short end of the debt markets remained subdued. At this level the Fed arranged $2bn in customer repurchase agreements.

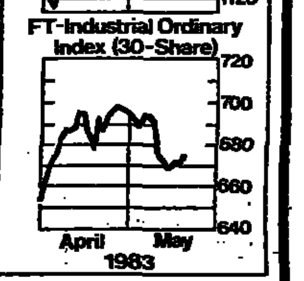
At the longer end, dealers lifted quotations at first but soon found few sellers. The benchmark long bond, the 10⅜ per cent of 2012, slipped to 98⁸⁄₃₂.

Strength in resources kept **Toronto** buoyant, but **Montreal** showed weakness in banks, industrials and utilities alike, with only the papers and publishing sector providing consistent gains.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	May 17	Previous	Year ago
DJ Industrials	1205.79	1202.98	845.32
DJ Transport	540.50	540.18	346.43
DJ Utilities	129.43	128.78	114.02
S&P Composite	164.67	163.40	116.71
LONDON			
FT Ind Ord	675.6	671.1	572.4
FT-A All-share	419.92	419.15	330.10
FT-A 500	456.47	454.13	359.01
FT-A Ind	420.37	419.32	325.82
FT Gold mines	681.1	677.8	240.3
FT Govt secs	80.59	80.61	69.07
TOKYO			
Nikkei-Dow	8572.23	8627.11	7619.39
Tokyo SE	628.21	629.12	563.33
AUSTRALIA			
All Ord.	602.5	603.9	519.1
Metals & Mins.	533.2	533.6	380.2
AUSTRIA			
Credit Aktien	57.8	58.1	52.33
BELGIUM			
Belgian SE	122.14	122.4	94.32
CANADA			
Toronto Composite	2424.7 *	2409.8	1543.2
Montreal Industrials	417.87	417.85	285.25
Combined	402.40	402.39	267.32
DENMARK			
Copenhagen SE	143.04	143.82	92.81
FRANCE			
CAC Gen	124.5	126.1	110.2
Ind. Tendance	128.1	129.2	123.0
WEST GERMANY			
FAZ-Aktien	309.49	305.82	231.4
Commerzbank	926.7	915.2	705.5
HONG KONG			
Hang Seng	930.70	942.8	1361.5
ITALY			
Banca Comm.	190.54	186.7	184.13
NETHERLANDS			
ANP-CBS Gen	126.4	128.3	94.5
ANP-CBS Ind	105.0	105.5	74.6
NORWAY			
Oslo SE	closed	194.24	111.0
SINGAPORE			
Straits Times	951.67	956.48	773.81
SOUTH AFRICA			
Golds	957.5	970.2	416.2
Industrials	946.5	932.9	588.1
SPAIN			
Madrid SE	114.88	115.32	123.4
SWEDEN			
J & P	1494.26	1517.42	594.07
SWITZERLAND			
Swiss Bank Corp	325.0	323.0	260.4
WORLD	May 16	Prev	Yr ago
Capital Int'l	176.6	178.2	139.1

GOLD (per ounce)

	May 17	Prev
London	$443.00	$437.75
Frankfurt	$440.75	$436.50
Zurich	$440.00	$438.50
Paris (fixing)	$438.47	$440.82
New York (May)	$443.10	$438.60

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR May 17	U.S. DOLLAR Previous	STERLING May 17	STERLING Previous
£	1.5570	1.5585	–	–
DM	2.4595	2.4615	3.8325	3.84
Yen	233.05	233.20	363	363.75
FFr	7.3950	7.4125	11.51	11.55
SwFr	2.0450	2.0430	3.1875	3.1875
Guilder	2.7660	2.7685	4.3075	4.3175
Lira	1462.75	1464.5	2277	2282
BFr	49.18	49.18	76.55	76.65
C$	1.23075	1.22925	1.9155	1.9145

INTEREST RATES

Euro-currencies (three month offered rate)	May 17	Prev
£	10 7/16	10½
SwFr	4 9/16	4⅝
DM	5 1/16	4 15/16
FFr	13⅝	12⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 5/16	9 5/16
6-month U.S.$	9¼	9⅛
U.S. Fed Funds	8¾	8⅝
U.S. 3-month CDs	8.70	8.60
U.S. 3-month T-bills	8.14	8.15

U.S. Treasury Bonds

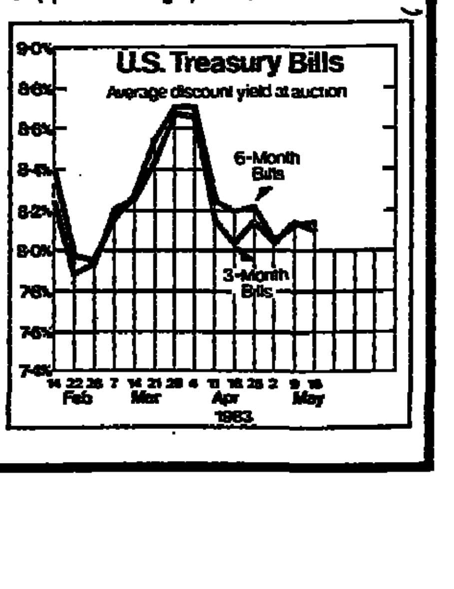
	May 17 Price	May 17 Yield	Prev Price	Prev Yield
9½ 1985	100 3/32	9.44*	100 4/32	9.46
10½ 1990	101 2/32	10.28*	101 29/32	10.30
10⅛ 1993	98 20/32	10.35*	98 14/32	10.38
10⅜ 2012	98 22/32	10.52*	98 20/32	10.53

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77-09	77-23	77-08	77-17
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.76	91.85	91.72	91.83
Cert Deposit (IMM) $1m points of 100%				
June	91.32	91.40	91.27	91.40
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.06	91.09	91.00	91.15
20-year Notional Gilt £50,000 32nds of 100%				
June	103-31	104-00	103-18	104-00

LONDON COMMODITY MARKETS

	May 17	Prev
Silver (spot fixing)	834.55p	829.30p
Copper (cash)	£1143.25	£1139.00
Coffee (May)	£2006.50	£2005.00
Oil (spot Arabian light)	$28.25	$28.32



LONDON

Sound but uninspired performance

THE EQUITY market in London put on a relatively sound performance yesterday in the face of Wall Street's sharp overnight setback and a UK opinion poll suggesting a reduced lead for the Government in the June general election.

Investment interest remained at a low ebb, but most leading shares regained their poise after an uncertain start. Down 3.5 at first, the FT Industrial Ordinary share index edged higher; to close 4.5 up at 675.6.

Early interest centred around Thomas Tilling following BTR's increased share exchange offer or alternative cash bid worth 225p per share. Tilling advanced 29p to 230p, with BTR reported to have been purchasing Tilling shares in the market. BTR closed 6p lower at 412p.

Norton Opax's bid for John Waddington also helped to enliven yet another uninspiring session in equities, generating speculative activity in a number of other possible bid candidates.

Among index constituents Bowater, the subject of recent U.S. bid rumours, staged a revival, while Plessey continued to make progress ahead of preliminary figures. Hawker also made a useful rally, but the outstanding performer was P & O deferred, which jumped 12p to 164p.

Government stocks fared little better in the way of activity. Sentiment remained clouded by fading hopes of an early reduction in the U.S. discount rate and the fall overnight in bond values there. But losses ranging to ¼ among long-dated gilts were often reduced, while the shorts again closed narrowly mixed on balance.

An initial decline in the gold sector of mining markets was quickly reversed by the firm performance of the bullion price. The latter eased to $437 in initial trading but rallied strongly in the afternoon to close a net $5.25 higher at $443 an ounce.

South African golds echoed this performance, closing with good gains on balance in the wake of persistent American interest in late dealings, and the Gold Mines index moved up 3.3 to 681.1.

Features in golds included Southvaal, which improved £½ to a year's high of £45¾, while similar gains were common to Durban Deep, £26¾ and Randfontein, £110¾.

Late gains in London financials reflected the rally in bullion prices. RTZ recovered from 575p to close a net 3p firmer at 580p.

The recent strength of platinums was sustained with Impala a further 10p firmer at a 1983 high of 845p and Rustenburg 5p up at 600p.

Share information service, Pages 38–39

AUSTRALIA

Selling abates

A WAVE of initial Sydney selling gave way later in the session as the absence of overseas investors led to a stock shortage. The All Ordinaries index, briefly below the 600 level, recovered to 602.5 for a loss of 1.4.

Volume was low ahead of the Labor Government's economic statement tomorrow. Metals finished steady, with some nervousness among cheaper golds, while oil and gas issues displayed an easier bias.

BHP, at one stage as low at A$7.98, ended with a two-cent gain at A$8.14.

SOUTH AFRICA

Industrials up

QUALITY industrials were at a premium in Johannesburg as tobacco group Rembrandt surged R2 to R25.50, the OK Bazaars stores chain 50 cents to R26 and Nedbank 30 cents to R14.10.

An exception was Barlow Rand, usually taken as a bellwether, which slipped 5 cents to R13.45 after lower interims.

Golds were pulled lower, with losses ranging to R2 for Randfontein at R187.

FAR EAST

Expectations disturb exporters

EXPORT-RELIANT issues were adversely affected throughout Far Eastern markets yesterday by Wall Street's overnight downturn and the bleaker picture for U.S. rates, but relatively cautious trading levels reflected investors' lack of clarity on how persistent the trend would be.

Small-lot selling depressed **Tokyo** blue chips to provide a fifth successive decline for the Nikkei-Dow Jones market average, off 19.56 at 8,572.23. With volume at 270m shares, the stock exchange index slipped 0.91 to 628.21.

Some dealers noted wariness ahead of the Williamsburg economic summit in 10 days' time, where world interest and exchange rates as well as trade frictions would come under scrutiny.

Selling gained pace gradually through the day, leaving TDK with an eventual Y40 fall to Y4,730, Sony Y10 to Y3,600, Hitachi Y7 to Y776 and Fuji Photo Y10 to Y1,780. Suzuki, which reported higher after-tax profits but lower recurrent earnings for its latest year, dipped Y2 to Y496.

Trust banks firmed after a flurry of proposed share issues in the sector. Mitsui Trust rose Y23 to Y350 and Sumitomo Trust Y22 to Y350. Other higher areas included non-ferrous metals, sugars and some precision instrument stocks.

Two office equipment concerns showed sharp jumps: Kukoyo moved the maximum Y100 up at Y938 after improved interim results while Max rose Y49 to Y749, both aided by news of a listing next month for Muto Kogyo, a rival in the field.

Government bond prices recovered from morning weakness to end little changed, with most interest at the long end.

Late **Hong Kong** bargain hunting by smaller local investors allowed a finish off the day's lows and the Hang Seng index, down nearly 16 points midway, ended at 930.70 for a fall of 12.10.

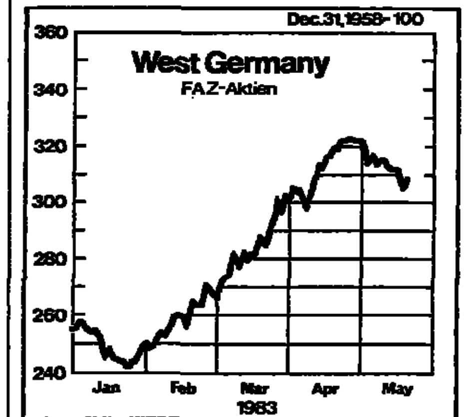
Continuing weakness in the local currency against the U.S. dollar dampened activity, and turnover was worth only some HK$83.21m.

Hongkong Bank shed 10 cents to HK$7.85, Hongkong Land and Cheung Kong five cents apiece to a respective HK$3.90 and HK$8.15, while Hutchison Whampoa moved ex-dividend to close at HK$11.70 against Monday's HK$12.10.

Bouts of **Singapore** buying support alternating with profit-taking left an uncertain tone and narrowly mixed finish, with the Straits Times industrial index 4.81 off at 951.67 but many selected gains in evidence.

Fraser and Neave added 10 cents to S$9.10, and a sought-after property sector featured a 26 cents surge for Malayan Credit at S$4.04.

Banks remained weak, with a fall of 10 cents for OCBC at S$11.40 and five cents each for OUB and UOB at S$5.55 and S$5.05.



EUROPE

Bumpy ride with some progress

THE SUDDEN turbulence being encountered in the downward path of world interest rates activated warning lights on European domestic bond markets yesterday, where price falls of half a point were common, but share values in some centres were able to nose upward again after Monday's declines.

Foreign buyers found **Frankfurt** bargains in good supply, taking the Commerzbank index 11.5 up to 926.7 and the FAZ 3.67 stronger at 309.49 at their mid-session daily calculations, although both remained below last week's finish and trading dwindled toward the end of the session.

Banks were in particular demand, with Commerzbank itself DM 4 higher at DM 172, Dresdner DM 5 ahead at DM 183 and Deutsche Bank DM 7 to DM 334. But the star was Bayerische Hypobank which gained DM 13 to DM 317.

West German bond prices shed up to 40 basis points, requiring the Bundesbank to take up DM 113.8m in paper after Monday's sizeable DM 165.9m worth. Yields for the Finance Ministry's new five-year notes (Bundesobligationen) were raised from 7.2 to 7.3 per cent, and the rate on two-year discountable Treasury notes (Finanzierungsschätze) from 6 to 6.12 per cent.

Banks also fared well in **Zurich**, where the upturn was broadly based but unspectacular in extent and only moderate in volume. UBS added SwFr 45 to SwFr 3,270 and Swiss Bank SwFr 4 to SwFr 323.

Limited **Amsterdam** losses persisted, with banks there a weak spot. Ned Mid slipped Fl 2 to Fl 150 and Amro 50 cents to Fl 58.20, but mortgage bank WUH improved Fl 4 to Fl 119.

Declines among **Paris** stocks outnumbered advances three to one, and only engineerings and stores showed resilience. In construction Dumez fell FFr 29 to FFr 730 and Bouygues FFr 8 to FFr 702, but elsewhere Matra put on FFr 45 to FFr 1,390.

A quarter-point cut in call money to 12¼ per cent aided the French credit market, where Crédit Agricole is expected this week to raise FFr 4.5bn and Caisse Centrale des Banques Populaires FFr 900m.

The first day of the **Milan** trading month brought strong gains, pared slightly by the close. Montedison added L6.40 to L136 on news of its link with Hercules of the U.S. A dull **Madrid** displayed losses of Pta 2 each for Banco do Bilbao at Pta 233, Central at Pta 299 and Hispano at Pta 224.

Non-ferrous metals led **Brussels** lower, with Vieille Montagne off BFr 250 at BFr 2,900 and Hoboken BFr 95 at BFr 4,740. Heavy **Stockholm** trading took Asea down SKr 15 to SKr 385 and Volvo SKr 13 to SKr 516. Astra slipped SKr 50 to SKr 2,000, eradicating the previous day's rise.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅝	5⅞	AAV	.32	1.8	14	9	18⅜	18	18¼	+ ¼
4¼	2¼	AICPh				5	4⅛	4	4⅛	+ ⅛
6¼	1	ATI				215	3¼	3	3	- ¼
12¼	2	AcmePr				307	8¼	7¼	7½	- ⅛
24⅜	12¼	AcmeU	.40	1.7	21	21	23⅝	23¼	23⅜	
30¾	2¼	Action			7	61	29⅜	28¼	28¼	- ½
9⅝	6⅛	Actons	.10t	1.3	47	131	8⅜	8	8	- ⅛
3¼	⅞	Actn	wt			20	2	2	2	
5⅛	1¼	AdmRs	.10	1.6		1436	u6⅜	5⅜	6¼	+1⅛
27⅞	12	AdRusl	s.10	.4	25	10	24¼	24½	24¼	+ ⅜
21¼	11⅛	Adobe	.20	1.0	13	298	20¼	19⅝	19⅞	
3⅞	2	AeglsCp			13	139	3⅝	3½	3½	
21½	9⅝	AeroSx	1.55t	8.2	16	45	19	18⅝	19	
7	2½	Aeronca			12	150	6⅜	6¼	6⅛	+ ⅛
29¼	9⅞	AffHsp	.32	1.1	13	12	28¼	28¼	28⅝	+ ⅜
12⅛	3⅝	AirSix			10	29	11⅞	11⅝	11⅞	
15½	4⅞	AirExp				80	14⅛	14	14	
18¼	3⅞	AlbaW	.15e	.8	19	42	18	17⅞	18	
12	6⅞	AlmySt		2.0	250	2	10	10	10	- ⅛
10⅞	5¼	AlohaA			6	79	7⅛	7½	7¼	- ⅛
24⅛	10⅛	Alphal	s		30	27	22⅛	22⅛	22¼	+ ⅛
15⅞	7¼	Alamil	.40	2.7	8	7	14⅝	14⅝	14⅝	
1⅞	½	Altec				129	1¼	1¼	1¼	
2¼	1⅛	Alter				584	2¼	2½	2½	
½	1-16	Altex	wt			92	7-16	¼	7-16	
37	25½	Alcoa	pf3.75	11		z200	35¼	35⅛	35⅛	+ ⅛

…

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10⅝	4⅝	Varco				115	6½	6¼	6¼	- ⅛
47½	16½	Varian	s.26	.6	25	1805	48¼	44⅝	45¼	+1⅝
15¼	6½	Varo	.40	2.5		777	u15¾	15	15⅜	+ ⅜
30¼	9⅞	Veeco	.24	.8	31	241	28¼	27½	28⅝	+1
15	4	Vendo			22	130	11½	10½	11	+ ½
11⅛	8⅝	VestSe	1.24	12		26	10⅝	10½	10⅝	+ ⅛
35⅞	17¼	Viacom	.35	1.1	17	285	32¼	32	32¼	+ ½
44⅜	25¼	Vicm	pf2.10	5.0		6	42⅛	42⅛	42⅛	- 1⅞
15⅞	12	VaEPw	1.60	11	8	1249	15¼	14⅞	14⅞	- ⅛
64¼	48	VaEP	pf7.72	12		z7970	64¼	64⅛	64⅛	+1¼
74	55	VaEP	pf8.84	12		z1200	u74½	73	74½	+1½
78	57½	VaEl	pf8.60	11.		z20	77	77	77	-1
81	61	VaEP	pf9.75	12		z150	79	78¼	78¼	- ¼
25	19¼	VaEP	pf2.90	12		26	24⅞	24½	24½	
64¼	49¼	VaE	pfJ7.72	12		z1640	u65½	64	64¼	+ 1¼
62	45½	VaEP	pf7.20	12		z20	59	59	59	-1
64¼	47	VaEP	pf7.45	12		z100	61	61	61	-1¼
23⅞	13¼	Vornad			27	49	23¼	22⅞	22⅞	+ ⅛
15⅝	7½	Vulcinc				38	10¼	10	10¼	
64	38¼	VulcnM	2.44	3.9	16	16	63	62¾	63	+ ½

W—W—W

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅞	15¾	WICOR	2.14	11	9	23	19½	19¼	19½	
43⅞	23	Wachov	1.40	3.4	11	128	41⅝	41⅛	41¼	+ ⅜
34½	12⅞	Wackht	.44b	1.4	20	30	31⅛	30¼	31⅛	+ ¼
12⅞	4⅛	Wainoc				1321	8½	7½	7½	- ¼

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	May 17	Vara.
AMCA Int.	25⅝	-⅛
Abitibi	23⅝	+¼
Agnico Eagle	20⅝	+1½
Alberta Energy	17⅝	+⅜
Alcan Alumn	40½	+1
Algoma Steel	30	-⅜
Asbestos	11	-
Bk Montreal	31⅝	+¼
Bk Nova Scotia	43⅝	+⅝
Basic Resources	37	-6
Bell Canada	27⅜	-
Bombardier A	14½	-⅛
Bow Valley	23¼	+⅜
BP Canada	-	-
Brascan A	31½	+⅜
Brinco	3.3	-0.15
B. C. Forest	12¼	+⅜
CIL Inc	28⅝	+⅝
Cadillac Fairv.	9¼	-⅛
Can Cement	17	-
Can NW Energy	27	+¼
Can Packers	41½	-
Can Trustco	41¾	-¼
Can Imp Bank	37⅛	-
Canadian Pacific	46⅛	-⅛
Can. P. Ent.	24⅝	-⅛
Cdn Tire	60½	-
Carling O'Kfe	16⅛	+⅛
Chieftain	22	-
Cominco	54⅞	-⅝
Cons Bathst A	23½	-
Conwest Resources	4.2	+0.3
Costain	9	+⅛
Daon Devel	2.55	+0.1
Denison Mines	40	-
Dofasco	48½	+⅛
Dome Mines	26⅛	+1⅛
Dome Petroleum	6	+⅜
Dom Stores	18⅝	-
Domtar	27¼	+¼
Falconbridge Ltd.	78	-½
Genstar	29¼	+½
Giant Y'knife	26¼	+1
Gt West Life	198	-
Gulf Canada	16½	-
Gulfstream Res.	1.56	-
Hawk Sid Can	19	-
Hudson Bay Mng	21	-½
Hudson's Bay	24⅛	-
Husky Oil	11⅜	-⅛
Imasco	34¼	-
Imp Oil A	36⅝	-⅝
Inco	19⅛	+¼
Indal	21	+½
Interpr Pipe	27	-½
LAC Minerals	-	-
Mac. Bloedel	31½	+¾
Marks & Spencer	12⅝	-
Massey-Ferg	6⅛	+⅛
McIntyre Mines	34⅛	+¾
Mitel	21⅝	+¼
Moore Corp	63	-
Nat. Sea Prods A	11⅞	-
Noranda Mines	27	-⅜

DENMARK

May 17	Price Kroner	+ or −
Aarhus Olie	386	+1.6
Andelsbanken	207	.....
Baltica Skand.	439	−3
CopHandelsbank	232.4	.....
D. Sukkerfab	497.4	+0.4
Danske Bank	242	.....
East Asiatic	121.4	−0.8
Forende Brygg.	865	.....
Forende Damp.	250	−18
GNT Hldg.	397	−12.4
I.S.S.B.	463	.....
Jyske Bank	453	.....
Novo Ind	2,725	−55
Privatbanken	249.2	+0.2
Provinsbanken	194.4	−0.6
Smidth (F.L.)	279.2	−0.8
Sophus Berend.	710	−7
Superfos	191.6	+0.6

FRANCE

May 17	Price Frs.	+ or −
Emprunt 4½% 1973	2,040	−18
Emprunt 7% 1973	6,890	+10
CNE 3%	3,260	−10
Air Liquide	475	.....
BIC	539	−8
Bouygues	708	−8
BSN Gervais	1,781	.....
CIT Alcatel	1,106	−19
Carrefour	1,323	+3
Club Medit.	812	.....
CFAO	450.5	−2.5
Cie Bancaire	319	.....
Cofimeg	165	.....
Creusot Loire	44	−0.5
Darty	638	−5
Dumez	730	−29
Eaux (Cie Gen)	287	−4.4
Elf-Aquitaine	170.5	−3.5
Gen. Occidental	516	.....
Imetal	53	−0.9
Lafarge-Coppee	275	+1
L'Oreal	1,656	−9
Legrand	2,072	−1
Maisons Phenix	430.1	+0.1
Matra	1,390	+45
Michelin B.	748	+10
Midi (Cie)	898	−4
Moet-Hennessy	1,220	.....
Moulinex	82	+2
Nord Est.	53.1	−1.2
Pernod Ricard	650	−5
Perrier	294.5	−5.5
Petroles (Frq.)	178	−1
Peugeot-SA	187	−3.2
Poclain	88.5	+0.3
Printemps Au	117	−1
Radiotecn	347	−1
Redoute	963	−7
Roussel-Uclaf	285.3	−5.7
Schneider	106.1	−4.9
Sefimeg	219.9	+4.4
Skis Rossignol	812	+3
Telemech Elect.	1002	−3
Thompson (CSF)	184.9	−4.1
Valeo	289	.....

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BTR	412	−6
Beaton Clark	238	+12
BP	374	+4
Diamond Stylus	22	+5
Fitch Lovell	135	−7
General Accident	423	−2
Gieves Group	74	+9
IMI	60½	+4½
ICI	456	+4
London & Northern	71	+1½
Waddington (J.)	160	+56
Whitbread	134	−4

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
Lond. & Liver.	31	190	−40
Chem. Mth. As.	19	120	—
Glaxo	17	880	+5
Unilever	17	740	−15
Grand Met.	15	335	+7
London Brick	14	167	−4
Plessey	13	615	−2
Bio-Isolates	11	190	+15
Cable & Wirls.	11	380	+10

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (48)

BRITISH FUNDS (1)
Exchqr. 3pc 1984
AMERICANS (2)
Crown Zellerbach Pennzoil
CANADIANS (1)
Imperial Oil
BANKS (3)
First National Sec. Pacific Corp.
Do. Warrants
BUILDINGS (2)
Gleeson (M. J.) Sheffield Brick
CHEMICALS (1)
Leigh Ints.
STORES (1)
Beattie (J.) A
ENGINEERING (3)
Cohen (A.) Jones & Shipman
Crown House
INDUSTRIALS (8)
Amber Inds. Gieves Group
Brown Bov. Kent Lon. & Northern Go.
Caparo Inds. Ovenstone
Diamond Stylus Tilling (T.)
LEISURE (2)
Norton Opax Saga Holidays
PAPERS (5)
Harrison Cowley Waddington (J.)
Ogilvy & Mather Watmoughs
Usher Walker
PROPERTY (2)
Espley-Tyas Lend Lease
SHIPPING (1)
P. & O. Defd.
SOUTH AFRICANS (4)
Barlow Rand S.A. Brews.
Messina Unisec
TRUSTS (3)
M. & G. Dual Inc. Silvermines
Britannia Arrow
OILS (2)
New Court Nat. Ranger Oil
OVERSEAS TRADERS (1)
Borthwick (Thos.)
MINES (6)
Grootvlei Anglo American
Elandsrand Gold Rand Mines Prop.
Southvaal Impala Plat.

NEW LOWS (41)

BUILDING SOCIETIES (2)
Nationwide 14pc 4.7.83 Nationwide 13¼pc 25.7.83
BREWERS (4)
Bell (A.) Invergordon
Do. 9½pc Cnv. 1999-2001 Whitbread
BUILDINGS (2)
Burnett Hallamshire Watts Blake
STORES (4)
Bentalls Grattan
Freemans Stanley (A. G.)
ELECTRICALS (5)
Black (M.) HB Elect. Comps.
Breville Europe Sanyo Co.
Druck Hldgs.
ENGINEERING (2)
Brasway Howden Group
FOODS (5)
Assoc. Brit. Foods Hazlewood
Barr (A. G.) Kwik Save
Canvermoor
INDUSTRIALS (8)
Armour Trust Sheldon Jones
Feedex Agriculture Unilever
Lond. Private Health Wolseley-Hughes
Reckitt & Colman Yorkgreen Invs.
INSURANCE (1)
London Utd.
LEISURE (1)
Pineapple Dance
NEWSPAPERS (1)
Portsmouth Sund'land
PROPERTY (2)
Grainger Trust Westminster Prop.
TRUSTS (2)
City & Comm. Inc. New Throg. Warrants
OILS (2)
Berkeley Explrtn. Silkolene

RISES AND FALLS

	Rises	Falls	Same
British Funds	16	13	70
Corpns. Dom. and Foreign Bonds	6	16	58
Industrials	183	317	842
Financial and Prop.	74	93	353
Oils	14	27	70
Plantations	4	2	16
Mines	55	27	74
Others	32	90	47
Totals	384	585	1,530

FINANCIAL TIMES STOCK INDICES

	May 17	May 16	May 13	May 12	May 11	May 10	year ago
Government Secs.	80.59	80.61	80.69	81.04	81.16	80.98	69.07
Fixed Interest	82.93	82.87	82.91	82.99	83.01	83.09	69.81
Industrial Ord.	675.6	671.1	671.7	668.6	672.6	676.7	572.4
Gold Mines	681.1	677.8	670.4	678.1	680.5	677.0	240.3
Ord. Div. Yield	4.64	4.67	4.68	4.72	4.67	4.63	5.43
Earnings, Yld.% (full)	9.13	9.17	9.18	9.37	9.27	9.20	11.22
P/E Ratio (net) (*)	13.58	13.53	13.52	13.21	13.35	13.45	10.89
Total bargains.	16,602	15,649	14,045	13,583	20,768	22,433	17,043
Equity turnover £m.	—	169.54	181.15	168.43	217.06	243.13	113.6
Equity bargains	—	15,513	14,498	14,524	17,085	18,237	11,992
Shares traded (ml)	—	101.8	105.9	104.0	118.8	133.7	84.8

10 am 667.6. 11 am 671.1. Noon 672.0. 1 pm 672.6. 2 pm 672.8. 3 pm 672.5.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.66.

HIGHS AND LOWS / S.E. ACTIVITY

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	699.0 (27/4)	598.4 (12/1)	699.0 (27/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. Activity	May 16	May 13
—Daily Gilt Edged Bargains	145.6	146.7
Equities Bargains	100.5	93.9
Equities Value	342.7	366.1
5-day Avrge Gilt-Edged Bargains	149.9	156.5
Equities Bargains	103.5	108.7
Equities Value	395.9	410.9

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue May 17 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon May 16 Index No.	Fri May 13 Index No.	Thur May 12 Index No.	Wed May 11 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	456.98	+0.7	8.65	3.79	14.81	453.77	454.06	453.16	453.29	304.35
2	Building Materials (23)	418.74	+0.3	9.97	4.72	12.44	417.57	416.42	416.64	417.91	330.33
3	Contracting, Construction (30)	741.66	−1.2	11.97	4.60	10.28	751.00	743.42	738.74	733.67	638.91
4	Electricals (33)	1728.90	+1.2	6.99	2.02	18.46	1709.06	1716.87	1709.91	1710.77	[illegible]
5	Engineering, Contractors (10)	486.26	−0.1	15.04	6.44	8.17	486.52	482.50	480.68	482.06	484.39
6	Mechanical Engineering (64)	211.02	+0.1	11.51	5.49	10.85	210.92	211.82	211.61	211.52	200.77
8	Metals and Metal Forming (11)	177.22	+0.8	10.03	6.59	12.24	175.81	175.00	175.25	175.82	163.29
9	Motors (18)	100.36	—	1.40	5.36	—	100.32	100.85	100.66	99.52	93.90
10	Other Industrial Materials (17)	446.59	+2.2	7.14	5.03	18.42	436.85	437.08	436.91	438.42	363.34
21	CONSUMER GROUP (201)	415.57	−0.1	10.29	4.42	11.83	416.02	414.67	412.86	416.48	306.32
22	Brewers and Distillers (23)	444.47	−1.2	11.44	4.88	10.68	449.78	448.74	449.43	449.36	311.49
25	Food Manufacturing (21)	321.24	−0.7	13.93	5.95	8.43	323.57	324.33	324.93	325.18	268.31
26	Food Retailing (14)	823.35	−0.5	7.80	2.97	16.17	827.74	825.30	822.79	828.02	586.96
27	Health and Household Products (8)	806.17	+0.6	5.31	2.33	22.39	801.59	796.17	772.14	800.27	464.66
29	Leisure (24)	520.85	−0.5	7.35	4.64	17.60	523.68	521.39	523.26	524.69	448.68
32	Newspapers, Publishing (14)	784.48	+0.1	10.75	4.15	11.27	783.59	792.93	795.30	798.24	534.48
33	Packaging and Paper (14)	156.14	+0.6	13.04	6.37	9.07	155.28	155.99	155.40	155.74	140.36
34	Stores (48)	367.48	+0.7	8.35	3.92	16.12	364.80	363.17	362.18	365.94	279.64
35	Textiles (22)	282.27	−0.3	12.85	5.60	9.36	282.93	281.33	283.12	282.29	172.66
36	Tobaccos (3)	432.87	—	22.09	7.15	5.07	432.21	429.99	433.05	431.55	320.46
39	Other Consumer (10)	376.78	−0.1	6.71	3.84	—	377.02	374.34	374.03	373.57	298.39
41	OTHER GROUPS (79)	337.42	+0.5	8.40	4.88	14.95	335.89	334.35	334.74	336.33	254.00
42	Chemicals (15)	466.85	+0.6	8.27	5.28	15.30	464.12	462.64	462.42	464.67	333.04
44	Office Equipment (6)	97.18	−1.3	8.99	5.79	14.29	98.43	100.05	101.65	102.93	113.16
45	Shipping and Transport (14)	656.91	+1.3	8.88	6.10	14.72	648.39	646.05	646.64	642.05	562.75
46	Miscellaneous (44)	452.19	+0.3	8.35	4.19	14.78	450.72	446.46	447.33	450.24	325.90
49	INDUSTRIAL GROUP (486)	420.37	+0.3	9.46	4.26	13.13	419.32	418.44	417.28	419.49	325.82
51	Oils (14)	841.15	+0.5	13.19	6.96	9.22	836.73	832.21	836.02	834.24	733.96
59	500 SHARE INDEX	455.47	+0.3	10.05	4.69	12.38	454.13	452.94	452.21	454.07	359.61
61	FINANCIAL GROUP (121)	310.79	−0.2	—	5.98	—	311.33	310.16	312.93	312.98	247.45
62	Banks (6)	332.67	+0.4	26.85	7.44	4.11	331.44	330.92	330.61	332.12	267.15
63	Discount Houses (8)	287.79	+0.5	—	9.24	—	286.35	285.97	286.99	286.56	236.21
65	Insurance (Life) (9)	393.02	−0.6	—	5.54	—	395.36	392.34	395.29	396.82	268.96
66	Insurance (Composite) (10)	209.68	−1.5	—	7.16	—	212.85	211.38	213.96	214.05	152.96
67	Insurance Brokers (7)	565.71	−0.5	11.63	5.24	11.78	568.30	575.75	580.60	580.22	494.36
68	Merchant Banks (13)	159.96	−0.3	—	5.44	—	160.40	161.79	162.32	162.80	147.30
69	Property (54)	459.57	+0.9	5.80	3.89	22.94	455.62	453.15	453.16	455.29	432.38
70	Other Financial (14)	238.08	−0.1	11.10	5.68	10.91	238.35	236.87	239.53	240.95	177.73
71	Investment Trusts (109)	409.03	−0.2	—	4.22	—	409.82	407.30	406.50	407.00	303.30
81	Mining Finance (4)	284.09	+0.4	7.05	5.00	18.57	282.94	282.63	281.46	283.19	285.38
91	Overseas Traders (16)	438.92	−0.6	9.67	8.31	14.62	441.35	441.04	443.74	443.59	359.47
99	ALL-SHARE INDEX (750)	419.92	+0.2	—	4.92	—	419.15	417.91	417.74	419.34	330.10

FIXED INTEREST

	PRICE INDICES	Tue May 17	Day's change %	Mon May 16	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.82	+0.03	116.79	—	4.61
2	5-15 years	128.92	+0.02	128.89	—	4.85
3	Over 15 years	137.91	−0.00	137.92	—	4.93
4	Irredeemables	144.65	—	144.65	—	[illegible]
5	All Stocks	127.73	+0.02	127.71	—	[illegible]
6	Debentures and Loans	103.45	+0.07	103.38	—	[illegible]
7	Preference	80.67	+0.02	80.65	—	[illegible]

	AVERAGE GROSS REDEMPTION YIELDS		Tue May 17	Mon May 16	Year ago (approx.)
	British Government				
1	Low	5 years	9.54	9.54	11.49
2	Coupons	15 years	10.29	10.29	12.62
3		25 years	10.11	10.11	12.65
4	Medium	5 years	11.37	11.38	13.96
5	Coupons	15 years	11.11	11.11	13.74
6		25 years	10.50	10.50	13.27
7	High	5 years	11.45	11.46	13.89
8	Coupons	15 years	11.29	11.29	13.95

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

AMERICAN STOCK EXCHANGE CLOSING PRICES

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NEW YORK CLOSING PRICES

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COMMODITIES AND AGRICULTURE

Crop fears push cocoa to 3-year record

By Our Commodities Staff

CROP FEARS in West Africa and Brazil helped push cocoa prices to the highest level for more than three years on the London futures market yesterday with the July position closing £36 up on the day at £1,374.50 a tonne.

A rush of buying followed a report that the Ghana National Farmers' Council had forecast the Ghanaian 1983/84 main crop at just over 80,000 tonnes, compared with earlier estimates of around 200,000 tonnes.

The dramatic cut is put down to drought and bush fires earlier this year but most London traders believe the damage has been seriously over-estimated.

Their own local sources have not reported widespread damage, they say, though individual farmers are known to have been badly hit.

Next year's crop could be below this year's, estimated at about 183,000 tonnes including a mid-crop of 5,000 tonnes, the dealers think but this would be more due to the country's economic difficulties than to weather and fire damage.

Sharply higher fuel prices and farm input costs are believed to have hit production and the crop could be as much as 80,000 tonnes down, they say.

However, the market's basic strength is believed to derive mainly from a revival of manufacturer buying coupled with technical factors.

● Cocoa producer countries will continue urging measures to support or improve prices, despite the recent rise, the Brazilian delegate told a Cocoa Producers Alliance meeting in Quito, reports Reuter.

He urged delegates to take measures to safeguard present price levels. Otherwise, supplies of cocoa could drop, he said.

U.S. and Russia to discuss grain sales

WASHINGTON — The Soviet Union has accepted a U.S. offer to negotiate a new long term grain sales agreement, Reuter reports.

President Reagan offered on April 22 to work toward such an agreement, ending a 16-month ban on negotiations triggered by foreign policy disagreements with the Soviet Union, particularly over its intervention in Poland.

The move came partly as a result of pressure from farm interests for President Reagan to do something to build up U.S. export markets and to shore up sagging grain prices.

Mr Richard Lyng, Deputy Agriculture Secretary, said yesterday that the U.S. had no targets in mind for figures to be incorporated in a new agreement.

But he hinted that the U.S. would be happy to see the figures specified in the present agreement increased. "We have grain to sell," he said.

The existing agreement, which expires on September 30, requires the Soviet Union to buy a minimum of 6m tonnes of maize and wheat annually and allows it to buy as much as 8m tonnes without seeking permission.

In the current year, the Soviet Union was told it could buy up to 23m tonnes. Only about 6.2m tonnes have been ordered so far, however.

Consultations had been tentatively scheduled in London next month to discuss the remaining months of the current agreement. Mr Lyng said that meeting could be used to plan negotiations for a new agreement.

Mr Lyng said that as far as he knew neither side had imposed any conditions on the proposed talks.

K. K. Sharma writes from New Delhi: The Indian Government, reeling under the impact of the worst drought in memory, has now fixed a target of a record 142m tonnes of foodgrain for 1983-84.

This will be 11m tonnes more than the record production of 1980-81 and nearly 20m tonnes more than last year's depleted output.

A Ministry of Agriculture official claimed yesterday that this was not over-ambitious. He disputed the widely-held view that agricultural production in India had stagnated.

Support price reaction cool

BY RICHARD MOONEY

THE 4 per cent average rise in agricultural support prices agreed by EEC Farm Ministers in Brussels on Monday night has been greeted coolly by UK farmers and with hostility by consumer organisations.

Sir Richard Butler, National Farmers' Union (NFU) president said the award was "disappointing." The Consumers in the European Community Group (CECG) said the Ministers were "living in cloud cuckoo land."

The NFU chief claimed farmers' costs were likely to rise "by up to 7 per cent" this year and that the price settlement, the lowest for several years, put continued recovery in farmers' incomes in doubt. He welcomed the promise of help for UK pig producers and processors.

The CECG attacked the Minister's failure to tackle the problem of farm surpluses. "Once again the Community has ducked the issue of reforming the Common Agricultural Policy," said Mrs Jill Moore, the group's chairman.

Indian jute output drops sharply

By P. C. Mahanti in Calcutta

INDIAN jute industry output dropped sharply to 93,500 tons in April from 103,100 tons in March.

The industry blames the fall on large-scale absenteeism during the harvest season in the villages but West Bengal's Marxist government regards it as a deliberate production cut in response to the industry's failure to obtain official sanction for a 15 per cent production cut.

The West Bengal government is seeking nationalisation of the industry and has ordered a programme to stop mills hoarding stocks.

● WORLD CONSUMPTION of tantalum will rise to 1,165 tonnes in 1985 and 1,190 tonnes in 1990 but will never again reach the 1979 heights of 1,290 tonnes, says a report in Metall magazine.

● WORKERS at St. Joe resources, part of St. Joe Minerals, have ratified a new three-year labour contract which improves wages and fringe conditions.

● THE INTERNATIONAL Pepper Community will meet in Kuala Llumpur in July to discuss implementation of a minimum price scheme.

● THE WEST GERMAN grain crop could be affected by dry weather in the summer. High ground moisture last week is affecting root growth.

● PAKISTAN has cut export subsidies on cotton yarn to 4.5 per cent from 7.5 per cent of the export price.

● UK BARLEY discharge from intervention in the week to May 13 was 43,054 tonnes. Total discharge to date is 633,895 tonnes.

● CHILE'S military government threatened to prosecute the leadership of the copper workers' union for organising a day of national protest last week.

World sugar values continue to rise

BY OUR COMMODITIES STAFF

WORLD SUGAR values rose sharply again on the London terminal market yesterday, reflecting increased concern about rain delaying EEC beet plantings and drought cutting South African production.

The London daily price for raw sugar was lifted by £6 to £148 a tonne, the highest level since April 5 last year.

On the futures market, the October position gained £10 to £173.1 a tonne.

Easier sterling against the dollar helped boost the London market. But the upsurge was given further impetus when sugar statistician F. O. Licht, forecast that world stocks could stop growing or even decline in the 1983-84 season. Licht said production could fall to 95m tonnes, against 99.06m in 1982-83.

However, he noted that the projected 1m tonnes production shortfall came after two seasons of heavy surpluses and would mean only a slight reduction in the surpluses that should continue to restrain upward price movements.

Tim Coone in Managua writes: A Nicaraguan Foreign Trade Ministry delegation is shortly to visit several countries including Iran, Algeria, Spain and the UK in a search for new export markets for its sugar.

The Nicaraguan sugar export quota to the U.S. was recently cut drastically from 58,800 short tons per annum to only 6,000 tons.

The ministry has meanwhile announced that in the first four months of the year Nicaraguan exports have earned the country $187m, the principal products being coffee ($73m), cotton ($54.6m), meat ($25.5m) and sugar ($24m).

Crude oil futures trading 'has exceeded expectations'

BY JOHN EDWARDS

CRUDE OIL futures trading has far exceeded expectation, says Mr Michael Marks, chairman of the New York Mercantile Exchange (Nymex).

Mr Marks said in London yesterday that turnover on the market had reached an average of some 1,000 lots (of 1,000 barrels) daily after only six weeks since the contract was launched.

He noted that on the Chicago Board of Trade crude oil futures had fallen back to about the same level, but the "open" interest in New York was much higher at 4,700 lots and was likely to reach 5,000 very shortly.

A test for both the Chicago and New York contracts will come shortly when the first tenderable deliveries become due and the markets' delivery systems are utilised.

Mr Marks claims that two of the major oil companies are already using the market and that the others are poised to come in shortly.

He forecast that turnover will average 5,000 lots by the end of the year and reach 100,000 lots daily within the next five years.

Meanwhile, the Nymex platinum and palladium contracts have been boosted by the recent rise in free-market platinum above gold.

The exchange also expects the U.S. Commodity Futures Trading Commission to approve shortly a new potato futures contract with a cash settlement.

This could set an important precedent in that it would be the first U.S. non-financial futures contract to have a cash settlement (with cash instead of the actual commodity used to settle outstanding delivery commitments).

S. African canned fruit subsidy delights Australian rivals

AUSTRALIAN canned fruit exporters to Britain and other EEC markets might have been expected to be dismayed by the recent announcement that their South African competitors are to receive a further year's government aid amounting to some £2.5m, as well as subsidised interest payments on a £11.7m state loan.

They are, however, delighted, writes a correspondent. For the South African development provides just the lever Australians need to help prise from the new Labor Government an agreement to assume a responsibility its predecessor incurred when, towards the end of its term, the Fraser Government formed the Industry Assistance Commission to look into the state of the canned fruits industry.

It is unlikely that the Hawke Government will honour the commission's recommendations but growers and processors who met the new Primary Industry Minister recently were told that the Government would restart the inquiry, with particular reference to the contraction canned fruit has suffered since Britain joined the EEC.

The South African action to help its own producers over the European tariff wall—ranging from 22.5-24 per cent for outsiders exporting to the Community—will make it less easy for the Australian Government, pledged in its election manifesto to safeguarding rural employment, to avoid similar measures.

As yet, the only help the Australian industry has received is a grant of A$2,000 a hectare to pull out trees and curb production.

Although the South African competition is more traditional, Australia's real enemies today are those now inside the EEC—Italy and Greece, especially the latter.

In 1977, Greece supplied less than 5 per cent of the UK market for peaches, deliveries totalling less than 170,000 basic cartons of 24 15 oz cans.

By last year, the quantity had soared to 931,000 cartons, accounting for more than 25 per cent of the market, and this year Greece could be Britain's largest supplier.

In the same period, South African supplies, which, with Australia's, before UK membership of the EEC, accounted for more than 80 per cent of this country's purchases, slid from almost 2.8m cartons to just over 1m.

Australian shipments, which by 1977 had already faltered because of an exporting policy that sought alternatives to the European market, described a different pattern, hovering at around 350,000 cartons for the four years to 1980 and recovering thereafter to 1982's figure of 684,000.

Italy's peach deliveries have risen less steeply than Greece's, but reached a record of almost 700,000 cartons in 1981, easing back last year to 518,000.

South Africa's decline on the pear market has been almost as great as with peaches, deliveries having shrunk from more than 1.2m cartons in 1979 to about half that last year. Over the same period, the Australian picture has been rather erratic, supplies fluctuating between about 420,000 and 700,000 cartons, with 634,000 last year.

The British canned fruit market, valued at around £100m, has been undergoing a long-term contraction which—added to the Mediterranean upsurge—helped to make 1982 disastrous for its traditional suppliers. Australia's four surviving canners lost some $10m between them and South Africa's largest one sustained a loss of R7m.

PRICE CHANGES

In tonnes unless stated otherwise	May 17 1983	+ or —	Month ago
Metals			
Aluminium	£880	......	£880
Free Mkt	$1468 1480	—5	$1560/585
Copper			
Cash h grade	£1143.25	+4.25	£1092.5
3 mths	£1172.25	+3.5	£1113.75
Cash Cathode	£1106	+5	£1074
3 months	£1138	+4.25	£1098
Gold troy oz	$443	+5.25	$439.5
Lead Cash	£277.5	—0.5	£295
3 months	£288.25	—0.5	£306.75
Nickel	£4526.5	......	£4833
Free mkt	230/260c	......	210/240c
Palladium	$152.50	+2.5	$124.50
Platinum	£289.50	+4.5	£269.40
Quicksilver†	$285/295	......	$300/320
Silver troy oz	834.55p	+5.25	784.90p
3 mths	855.35p	+5.65	804.05p
Tin cash	£8612.5	—5	£8745
3 month	£8717.5	—7.5	£8707.5
Tungsten	$85.88	......	$83.22
Wolfram 22.04 lb	$89.91	......	$89/91
Zinc Cash	£472	—1	£453.5
3 mths	£486.25	—1	£457.5
Producers	$750	......	$750

	May 17 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$617.5y	—7.5	$592.5
Groundnut	$545y	+10	$492.5
Linseed Crude	£315y	......	£322
Palm Malayan	$440x	—7.5	$420
Seeds			
Copra Phil	$420x	—10	$385
Soyabean (U.S.)	$257	+1.5	$253
Grains			
Barley Fut. Sep	£110.45	—0.25	£111.75
Maize	£147.50	......	£146.00
Wheat Fut. Jul	£136.00	+0.60	£136.75
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1415	+35	£1298
Fut. July	£1374.5	+35	£1262.5
Coffee Ft. July	£1668.5	—18	£1603.5
Cotton A. Index	81.90c	......	80.65c
Gas Oil June	$235.5	......	$249
Rubber (kilo)	76p	+1	78.75p
Sugar (Raw)	£148yw	+6	£110
Woolt'ps 64s	386p kilo	—2	394pkilo

‡ Unquoted. x June. w July. y May-June. z June-July. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.20-28.30	—0.07
Iranian Light	27.70-27.75	—
Arabian Heavy	25.75-25.85	+0.08
North Sea (Forties)	28.85-29.20	+0.22
North Sea (Brent)	29.00-29.25	+0.12
African (Bonny Li'ht)	29.25-29.60	+0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	294-296	—0.5
Gas oil	232-240	+0.5
Heavy fuel oil	161-163	—

GAS OIL FUTURES

The market opened slightly higher but moved lower in light activity. Strength in New York steadied prices in better volume but the market dipped again on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	237.00	+0.25	237.00-38.25
June	235.50	—	236.50-34.00
July	235.00	+0.25	235.50-33.50
Aug	237.50	+1.00	238.25-36.00
Sept	239.50	+0.50	241.25-38.00
Oct	243.00	+1.00	244.25-41.00
Nov	246.00	+1.25	246.00-44.50
Dec	249.50	+1.00	250.00-47.50
Jan	252.50	+2.00	—

Turnover: 3,169 (2,502) lots of 100 tonnes.

GOLD MARKETS

Gold rose $5½ to $442½-443½ in the London bullion market. The metal opened at $437½-438½, and was fixed at $437½ in the morning, and $440¾ in the afternoon. It closed at the day's peak, and touched a low of $436½-437½.

In Paris the 12½ kilo gold bar was fixed at FFr 104,700 per kilo ($438.47 per ounce) in the afternoon, compared with FFr 104,500 ($437.60) in the morning, and FFr 105,000 ($440.82) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,800 per kilo ($438.71), against DM 34,780 ($439.90), and closed at $440½-441½, compared with $436-437.

In Luxembourg the 12½ kilo gold bar was fixed at $437.50 per ounce, against $437.00.

In Zurich gold finished at $438-442, compared with $435-438.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
May	442.00-43.5	+6.800	—
June	444.20-44.4	+6.000	445.00-38.8
July	447.00-48.0	+5.950	—
August	450.50-51.1	+5.800	451.00-45.7
Sept	448.50-54.8	+5.650	—
Oct	457.00-58.3	+6.000	—
Nov	465.50-61.8	+5.800	—

Turnover: 534 (649) lots of 100 troy ounces.

	May 17		May 16	
Gold Bullion (fine ounce)				
Close	$442½-443½	(£284½-285¼)	$437¼-438¼	(£280½-281¼)
Opening	$437½-438½	(£281-281¾)	$436¼-437¼	(£279¾-280)
Morning fixing	$437.50	(£281.170)	$438.50	(£280.650)
Afternoon fixing	$440.75	(£283.568)	$436.25	(£279.622)

Gold Coins May 17

Krugrnd	$456-457	(£293-293½)	King Sov	$106-107½	(£68-69)
½ Krg	$235¼-236½	(£151¼-152)	Victoria Sov	$106-107½	(£68-69)
¼ Krg	$120-121	(£77-77¾)	French 20s	$88¾-90¾	(£57-58¼)
1/10 Krug	$49.50	(£31½-32¼)	50 pesos Mex	$542½-544½	(£348½-349¾)
Mapleleaf	$455-456	(£292¼-293)	100 Cor. Aust	$428-432	(£275-277½)
New Sov	$105¼-104¼	(£66½-67)	$20 Eagles	$560-570	(£359¾-366¼)
½ New Sov	$62½-64½	(£40¼-41½)			

EUROPEAN MARKETS

ROTTERDAM, May 17.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter May 160, June 159, July 155, Aug 157, Sept 159. U.S. Two Northern Spring 14 per cent protein May 188, June 182.50, July 180, Aug 178, Sept 178. U.S. Three Amber Durum May 203, June 199, July 197, Aug 196, Sept 193. Canadian Western Spring Nov 213.

Maize—(U.S. $ per tonne): U.S. Three yellow May 146.50, June 144, July 143, Aug 141, Sept 139, July/Sept 141, Oct/Dec 132.50, Jan/Mar 139 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two yellow Gulfports May 261, June 250.75, July 252, Aug 254, Sept 256, Oct 257.75, Nov 257.75, Dec 261, Jan 264.50, Feb 268.75, Mar 271.50 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 216, May 216, June 216, July 216.50, May/Sept 217, June/Sept 217, Oct 224, Oct/Dec 228.50, Nov/Mar 232.50 sellers; after unloading from Cheyenne 215 traded. Pellets Brazil afloat 222.50, May 218, June 218.50, July 220, May/Sept 222, June/Sept 222 sellers; after arrived on Lucendro 221 traded. Pellets Argentine afloat 217.50, May 217, June 217, June/Sept 219, July/Sept 220.50 sellers.

PARIS, May 17.

Cocoa—(FFr per 100 kg): May 1500/1540, July 1530/1580, Sept 1619/1622, Dec 1639/1644, Mar 1670/1690, May 1690/1710, July 1705 bid.

Sugar—(FFr per tonne): July 2105/2125, Aug 2125/2130, Oct 2210/2215, Nov 2215/2225, Dec 2280/2295, Mar 2420 value, May 2480/2505, July 2510/2530.

BRITISH COMMODITY MARKETS

BASE METALS

Base-metal prices were mixed on the London Metal Exchange. Copper came under heavy selling pressure and dropped to £1,162 in the morning following talk of sizeable American offerings but rallied strongly to close the late Kerb at £1,173.5; the late recovery reflected the fall in sterling. Tin was sustained by buffer stock support and closed at £8,718 while Lead was finally £289 and Zinc £487. Recently buoyant Aluminium closed at £974.5, after £968.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1135-.5	—8.5	1143-9.5	+4.25
3 months	1165-.5	—9	1172-.5	+5.5
Settlem't	1135.5	—8.5	—	......
Cathodes				
Cash	1099-101	—9.5	1105-7	+5
3 months	1130-1	—8	1137-9	+4.25
Settlem't	1101	—9	—	
U.S. Prod.	—	—	*84-87	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,135, three months £1,170, 69, 68.50, 67, 66, 65, 68, 67, 66, 65.50, 65. Cathodes: Cash £1,101. Kerb: Higher Grade: Three months £1,165, 64, 63.50, 63, 62.50, 63, 63.50, 63. Afternoon: Higher Grade: Three months £1,168, 68.50, 69, 72, 71, 72, 72.50, 73, 72.50, 72. Kerb: Higher Grade: Three months £1,172, 71.50, 71, 71.50, 72, 72.50, 73, 74. Turnover: 31,300 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8600-2	—28.5	8610-5	—10
3 months	8710-51	—12.5	8717-8	—7.5
Settlem't	8602	—28	—	......
Standard				
Cash	8600-2	—28	8610-5	—5
3 months	8710-11	—12.5	8717-8	—7.5
Settlem't	8602	+55	—	......
Straits E.	$30.74	......	—	......
New York				

Tin—Morning: Standard: Cash £8,610, 8,600, 01, three months £8,720, 25, 15, 12, 11. Standard: Kerb: Three months £8,711, 10. Afternoon: Standard: Three months £8,715, 18. Standard: Kerb: Three months £8,715, 17, 15, 18. Turnover: 1,155 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	267.25-.5	—1.37	277-8	—.5
3 months	287-.5	—1.62	288-.5	—.5
Settlem't	276.5	—1.5	—	......
U.S. Spot	—	......	*20-24	......

Lead—Morning: Cash £276.50, three months £288, 88.50, 88, 87.50. Kerb: Three months £287, 87.50, 88, 87, 88.50. Afternoon: Three months £287.50, 88. Kerb: Three months £288, 89, 90. Turnover: 20,450 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	470-1	—4.5	471-3	—1
3 months	484.5-5	—4.5	486-.5	—1
Settlem't	471	—4.5	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Three months £486, 85, 84, 83, 84, 83.50, 83, 83.50, 84, 84.50. Kerb: Three months £485, 84. Afternoon: Three months £486, 86.50, 87, 86.50, 88. Kerb: Three months £486, 87. Turnover: 9,550 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	942-3	—1.25	945.5-7.5	+3.5
3 months	970.5	—1.2	974.5-5	+3.5

Aluminium—Morning: Three months £974, 74.50, 74, 70, 69, 69.50, 70, 72, 71, 70.50, 71. Kerb: Three months £969, 68, 69. Afternoon: Three months £971, 72, 73, 74, 75, 74, 74.50, 75. Kerb: Three months £974, 73, 74. Turnover: 42,525 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3298-300	—11.5	3295-300	—15.5
3 months	3385-90	—10	3382-5	—16

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel — Morning: Three months £3,400, 3,395, 90. Kerb: Three months £3,382, 80. Afternoon: Three months £3,385, 80, 82, 83. Kerb: Three months £3,380, 82, 80. Turnover: 665 tonnes.

SILVER

LME—Turnover: 167 (183) lots of 10,000 ozs. Morning: Three months 854.0, 53.0. Kerb: Three months 853.0. Afternoon: Three months 869.0, 69.5, 74.5, 75.0, 75.5, 76.0. Kerb: Three months 875.0, 76.0, 78.0, 79.0, 80.0, 84.0, 85.0, 86.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	834.55p	+5.25	854.5p	+26.2
3 months	855.35p	+5.65	876.25p	+28
6 months	876.00p	+5.65	—	......
12 months	918.40p	+5.55	—	......

Silver was fixed 5.25p an ounce higher for spot delivery in the London bullion market yesterday at 834.55p. U.S. equivalents of the fixing levels were: spot $12.984, down 0.2c; three-month $13.249, up 0.2c; six-month $13.538, up 0.4c; and 12-month $14.074, unchanged. The metal opened at 833½-835p ($12.98-$13.02) and closed at 853-855p ($13.28-$13.32).

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse 1950/2020.

BISMUTH: European free market, min 99.99 per cent, $ per lb, tonne lots in warehouse 1.59/1.68.

CADMIUM: European free market, min 99.95 per cent, $ per lb, in warehouse, ingots 0.85/0.91, sticks 0.90/0.96.

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse 6.05/6.15.

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse 290/310.

MOLYBDENUM: European free market, canned molbdic oxide, $ per lb Mo, in warehouse 4.00/4.15.

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse 3.75/4.35.

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO_3, cif 88/91.

VANADIUM: European free market, min 98 per cent V_2O_5, other sources, $ per lb V_2O_5, cif 2.10/2.30.

Producer list price for selected metals as recorded in Metal Bulletin.

ALUMINIUM: World: virgin ingots Alcan, min 99.5 per cent, $ per tonne, cif Hong Kong and Rotterdam 1,750.

BISMUTH: UK: MCP-Peko, 99.99 per cent, $ per lb, tonne lots, ex-warehouse 2.30.

COBALT: World, Zaire: Sozacom, $ per lb 12.50.

NICKEL: World: Inco, melting grade, $ per lb, cif Far East and America, delivered rest of world 3.20.

URANIUM: Nuexco exchange value, $ per lb U_3O_8 22.25.

VANADIUM: Highveld fused min 98 per cent V_2O_5, $ per lb V_2O_5, cif 2.40.

ZINC: GOB producer basis, $ per tonne 750.

COCOA

Although failing to open as high as expected futures steadied during an active afternoon to close at the highs, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1331-35	+26.0	1335-20
July	1374-75	+35.0	1375-55
Sept	1387-88	+37.0	1390-66
Dec	1402-04	+38.5	1403-80
March	1414-15	+35.0	1415-95
May	1424-25	+36.0	1425-10
July	1433-35	+30.0	1431-17

Sales: 6,962 (4,577) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for May 17: 94.14 (91.82). five-day average for May 18: 90.65 (89.32).

COFFEE

After commission house buying had encouraged early gains values retreated on dealer selling, reports Drexel Burnham Lambert. A brief rally found further trade resistance and during the final call prices closed weaker on additional dealer selling.

COFFEE	Yest'day's Close	+ or —	Business Done
May	2005-08	+1.5	2025-05
July	1667-70	—18.0	1697-58
Sept.	1610-11	—7.0	1630-06
Nov.	1560-62	—6.5	1577-50
January	1523-25	—6.5	1543-22
March	1496-98	+2.0	1512-02
May	1473-80	+9.5	1480-59

Sales: 5,419 (4,286) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for May 16. Comp. daily 1979: 126.25 (124.64). 15-day average: 124.71 (124.60).

GRAINS

WHEAT Mnth.	Yesterd'ys close	+ or —	BARLEY Yest'd'ys close	+ or —
May	135.40	+1.55	120.00	—0.40
July	136.00	+0.60	—	—
Sep	116.75	—0.45	110.45	—0.25
Nov	119.30	—0.40	113.60	—0.25
Jan	122.35	—0.58	115.90	—0.30
Mar	125.30	—0.40	119.55	—0.30

Business done—Wheat: May 135.60-4.10, July 136.50-5.80, Sept 116.85-6.80, Nov 119.45-9.30, Jan 122.50-2.35, Mar 125.45-5.30. Sales: 309 lots of 100 tonnes. Barley: May 121.20-20.00, Sept 110.50-10.45, Nov 113.70-3.60, Jan 116.95 only, Mar 119.60-9.50. Sales: 91 lots of 100 tonnes.

POTATOES

Prices eased on a technical reaction, hitting stop-loss levels which added further selling to show losses of up to £13.30 (basis April), before moving off the lows on profit-taking, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Nov	100.40	106.50	108.2-99.8
Feb	119.50	128.90	128.5-121.0
April	145.00	157.80	158.0-144.0
May	154.00	166.80	166.8-164.8
Nov	77.50	75.00	—

Turnover: 1,574 (1,191) lots of 40 tonnes.

RUBBER

The physical market opened slightly easier, attracted little interest throughout the day and closed quiet. Lewis and Peat reported a June fob price for No. 1 RSS in Kuala Lumpur of 241.0 (244.5) cents a kg and SMR 20 227.5 (229.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
June	765-795	755	760
July	772-775	755-760	772-760
Jly-Sept	760-761	757-758	761-753
Oct-Dec	759-760	752-753	760-752
JanMch	771-772	763-764	772-764
Apl-Jne	784-787	777-781	786-783
Jly-Sept	800-804	794-797	803
Oct-Dec	815-819	812-817	822
JanMch	832-837	830-837	837-836

Sales: 348 (215) lots of 15 tonnes, 54 (1) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 76.00p (75.00p); June 73.75p (73.50); July 74.25p (74.00p).

SOYABEAN MEAL

The market opened with small gains in quiet conditions, reports T. G. Roddick. Prices remained in a narrow range with little trade interest against a dull cash background.

	Yesterdy's close	+ or —	Business Done
	£ per tonne		
June	140.50-40.8	+0.30	141.30-40.70
August	141.20-41.5	+0.55	141.60-41.00
October	145.30-45.5	+0.50	145.70-45.50
Dec	150.50-51.0	+0.50	—
Feb	155.10-55.9	+0.85	—
April	156.80-57.0	+0.80	—
June	155.50-58.5	+0.25	—

Sales: 68 (322) lots of 100 tonnes.

SOYABEAN OIL—Prices opened unchanged and drifted on nearby liquidation offers. Close (U.S. $ per tonne): Jun 435.00, 442.00; Aug 449.00, 454.00; Oct 460.00, 463.00; Dec 469.00, 478.00; Feb 476.00, 488.00; April 485.00, 500.00; Jun 490.00, 512.00. Sales: 0 (0) lots of 25 tonnes.

SUGAR

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
Aug	163.75-64.00	154.25-54.50	164.00-54.25
Oct	173.00-73.20	163.00-63.25	173.25-63.00
Dec	179.75-80.00	170.05-70.15	179.55-75.60
Mar	188.00-88.30	177.50-77.65	188.00-77.75
May	192.10-92.75	181.50-81.75	192.05-82.25

LONDON DAILY SUGAR—Raw sugar £148.00 (£142.00) a tonne cif May-June-July shipment. White sugar £176.00 (£165.00).

Sales: 8,757 (7,118) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £258.50 (£250.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for May 16: Daily price 8.86 (8.61): 15-day average 7.96 (7.85).

INDICES

FINANCIAL TIMES

May 16	May 13	M'th ago	Y'ar ago
274.04	273.15	270.39	239.50

(Base: July 1 1952=100)

REUTERS

May 17	May 16	M'th ago	Y'ar ago
1810.4	1807.2	1751.3	1571.1

(Base: September 18 1931=100)

MOODY'S

May 16	May 13	M'th ago	Y'ar ago
1058.1	1058.9	1045.8	1007.8

(December 31 1931=100)

DOW JONES

Dow Jones	May 16	May 13	Month ago	Year Ago
Spot	145.32	144.45	142.33	126.74
Fut'rs	150.27	149.78	148.67	128.16

(Base: December 31 1974=100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 78.0 to 83.3; English hindquarters 97.0 to 101.7, forequarters 52.2 to 55.0. Veal: Dutch hinds and ends 121.0 to 125.0. Lamb: English small 109.8 to 117.3, medium 106.3 to 114.3, heavy 102.0 to 109.3; Imported: New Zealand PL 59.5 to 60.3. Pork: English under 100lb 37.5 to 51.0, 100-120lb 40.8 to 48.0, 120-160lb 41.7 to 46.7.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 102.88p per kg lw (+6.12). GB—Sheep 238.43p per kg est dcw (+10.61). GB—Pigs 73.20p per kg lw (+4.56).

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£5.00, codlings £3.50-£4.50; large haddock £4.50, medium £3.80-£4.50, small £2.80-£3.70; large plaice £6.00, medium £3.80-£4.40; skinned dogfish (medium) £8.50; lemon sole (large) £9.50, (medium) £8.00; rockfish £1.60-£2.00; saithe £1.90-£2.00.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Topaz—Jaffa: 4.20-5.20. Tangors—Jaffa: 6.00-6.50. Oranges—Jaffa: Valencia Lates 50 6.40, 60 6.10, 75 7.50, 88 7.55, 105 7.00, 123 6.40, 144 5.20, 168 5.10; Moroccan: Valencia Lates 4.80-6.80; Cypriot: Valencia Lates 4.00-6.50; Outspan: Navels 56 7.00, 72 6.50, 88 6.00, 112 5.50, 138 5.00. Lemons—Spania: Tray 5-kg 25/50 1.80-2.40; Jaffa: Carton 4.00-5.70; Outspan: Carton 5.00-6.50. Grapefruits—Cypriot: 23/56 3.60-4.80; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.20, 48 5.20, 56 5.00, 64 5.00, 75 4.50, 88 4.35; U.S.: Ruby 7.50-9.00 according to size; Outspan: 36 4.200, 40/48 4.80, 56 4.50.

Apples—New Zealand: 18-kg Cox's 13.00-14.80, Golden Delicious 7.00-8.00, Red Delicious 9.00-10.00, Sturmer Pippins 9.00-10.00; Tasmanian: Cox's 12.50-14.00, Jonathan 9.00-10.00; Western Australian: Granny Smith 10.50; Cape: 18-kg Golden Delicious 8.00-9.80, Starking/Starkrimson 8.50-10.00, Granny Smith 9.00-10.00; U.S.: Red Delicious 11.00-13.00; Chilean: Granny Smith 18-kg 8.50-9.40, Starking 8.50-9.50; French: 18-kg Golden Delicious 5.00-5.50.

English Produce: Apples—per pound, Bramley 0.06-0.16, Cox's 0.12-0.28, Crispin 0.06-0.12, Laxton 0.08-0.16. Pears—Per pound, Conference 0.14-0.28. Potatoes—Per bag 1.80-2.50. Mushrooms—Per pound, open 0.60-0.70, closed 0.60-0.80. Lettuce—Per tray 1.00-1.50, Cos 1.80-2.20. Onions—Per 55-lb 2.50-7.00. Cabbages—Per 25-lb 1.00-2.50; per 28/30-lb white/red 1.50-2.40. Greens—28-lb, Kent 1.00-2.00. Carrots—Per 26/28-lb 1.80-2.60. Swedes—Per 28-lb 1.50-1.80. Leeks—Per 10-lb 2.20-3.00. Cauliflowers—Kent, 12s 2.00-3.00. Rhubarb—Per pound outdoor 0.09-0.10. Cucumbers—2.60-2.80. Tomatoes—Hothouse, per pound 0.25-0.40. Asparagus—Per pound 1.0-1.60. Celery—4.60-5.50.

AMERICAN MARKETS

NEW YORK, May 17.

Precious metals rallied on Syria's reluctance to agree to a pull out from Lebanon; new speculative sentiment is emerging as long as Syrian leaders may reject the negotiated solution. Copper was under pressure as traders evened up their positions ahead of the housing report; the market also had to absorb selling from sterling arbitrage. A bullish private crop estimate indicating a major reduction in the sugar carry-over raised prices near limit; the positive sentiment was reinforced by further planting delays in northern Europe. Heating Oil was erratic with early strength as a follow-through on Monday's strength; mid-day sell off found good support and the market finished strong. Coffee prices were lower after Monday's major gains on light profit-taking and selective dealer selling; arbitrage selling pressure became a factor later in the day. Cocoa continued to benefit from a prevailing concern over the declining crop conditions in West Africa as well as from the late start of the Bahia crop. Cotton prices opened strong but gradually faded as the report on open commitments of traders showed a large build up in speculative long positions prompting local and professional selling, reported Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonne

	Close	High	Low	Prev
July	1992	1999	1956	1967
Sept	2021	2026	1985	1992
Dec	2043	2048	2005	2010
March	2054	2060	2025	2031
May	2075	—	—	2052
July	2100	—	—	2077

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	132.00	133.50	130.60	130.50
July	128.51	129.90	128.50	129.48
Sept	126.88	127.70	126.60	127.43
Dec	124.88	125.90	124.75	125.18
March	122.51	123.00	122.00	121.78
May	119.44	120.00	119.00	119.13
July	115.25	—	—	115.88
Sept	114.89	115.00	114.89	114.95

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
May	79.20	79.40	79.00	79.50
June	79.50	—	—	79.80
July	80.25	80.65	79.70	80.50
Sept	81.65	82.10	81.10	81.90
Dec	83.50	83.95	83.10	83.75
Jan	84.05	84.35	84.35	84.30
March	85.20	85.60	84.95	85.45
May	86.30	—	—	86.55
July	87.40	87.90	87.05	87.65
Sept	88.50	88.30	88.30	88.75

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	74.35	74.75	73.85	74.27
Oct	75.40	75.60	74.98	75.00
Dec	75.80	75.95	75.30	75.34
March	76.88	77.00	76.50	76.35
May	77.28	77.28	77.25	76.85
July	78.10	78.00	77.60	77.80

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	443.1	436.5	536.5	436.6
June	444.3	446.5	438.5	440.2
July	447.6	449.0	443.0	443.4
Aug	450.9	453.5	445.0	446.7
Oct	457.7	460.5	452.5	453.3
Dec	464.7	467.0	458.5	460.1
Feb	471.8	471.5	466.0	466.9
April	479.1	480.0	473.0	474.0
June	486.5	489.0	488.5	481.2
Aug	494.1	—	—	488.7
Oct	501.9	—	—	496.4
Dec	509.9	—	—	504.2
Feb	518.1	519.0	517.5	512.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
June	77.30	77.75	76.35	76.68
July	76.38	77.00	75.70	76.03
Aug	77.22	77.70	76.70	76.99
Spt	78.10	78.65	77.60	78.12
Oct	79.10	79.40	78.75	79.10
Nov	80.00	80.40	80.00	80.00
Dec	81.15	81.30	80.40	81.02
Jan	81.65	—	—	81.50
Feb	81.30	—	—	81.00
March	81.30	—	—	81.00

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
May	119.70	120.50	117.50	118.50
July	115.70	116.50	115.50	116.40
Sept	114.45	115.40	114.30	115.40
Nov	109.70	111.00	109.50	111.00
Jan	103.60	104.25	103.75	104.20
March	103.45	103.60	103.20	103.10
May	103.50	103.50	103.30	103.10
July	103.55	103.50	103.50	103.25
Sept	103.55	—	—	103.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	454.2	—	—	449.8
July	455.2	459.0	450.0	450.8
Oct	460.3	463.8	455.0	455.8
Jan	466.7	470.0	462.0	462.1
April	473.1	479.0	472.0	468.4
July	480.7	487.5	477.5	475.9

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	1349.0	1348.0	1295.0	1304.2
June	1354.0	1355.0	1303.0	1309.0
July	1364.0	1368.0	1314.0	1319.0
Sept	1384.2	1387.0	1335.0	1339.0
Dec	1415.0	1419.0	1367.0	1369.2
Jan	1425.3	—	—	1379.3
March	1445.9	1448.0	1429.0	1398.5
May	1467.3	1470.5	1426.0	1420.5
July	1488.7	1483.0	1482.0	1441.5
Sept	1511.2	—	—	1463.5

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
July	10.00	10.13	9.67	9.63
Sept	10.40	10.54	10.06	9.98
Oct	10.63	10.74	10.31	10.24
March	11.71	11.79	11.36	11.29
May	12.06	12.10	11.69	11.60
July	12.38	12.42	12.02	11.92
Sept	12.58	12.60	12.25	12.12
Oct	12.86	12.89	12.50	12.40

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	67.72	67.75	67.15	67.20
August	65.07	65.12	64.55	64.72
Oct	61.57	61.62	61.02	61.30
Dec	62.05	62.20	61.40	61.65
Feb	61.80	61.95	61.30	61.42
April	62.60	62.75	62.27	62.16

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	51.30	51.87	51.12	51.87
July	51.02	51.55	50.90	51.65
August	48.00	48.30	47.90	48.25
Oct	44.70	44.85	44.52	44.85
Dec	44.85	45.00	44.75	44.90
Feb	46.45	46.62	46.15	46.70
April	45.40	45.45	45.20	45.05
June	47.40	47.40	47.35	47.25
July	47.00	47.00	47.00	46.90

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	306.6	307.4	303.4	301.2
July	306.6	307.2	304.2	302.4
Sept	298.4	299.4	297.0	296.2
Dec	290.4	292.0	289.6	289.0
March	299.6	301.0	299.2	298.2
May	306.4	309.4	307.4	306.4
July	312.6	315.0	312.4	311.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	68.32	69.40	67.80	69.55
July	66.90	67.95	66.50	67.95
August	64.47	65.50	64.15	65.60
Feb	63.65	64.45	63.25	64.32
March	63.80	63.80	63.35	64.50
May	65.00	65.00	64.40	65.60
July	64.10	64.70	64.10	65.10
August	62.00	62.00	62.00	62.25

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	620.4	626.2	620.0	621.4
July	633.0	639.4	632.0	634.6
August	638.2	645.2	638.0	640.4
Sept	644.0	651.0	644.0	645.6
Nov	655.4	663.0	654.4	657.4
Jan	667.2	675.4	667.0	670.2
March	680.4	688.4	680.0	683.0
May	690.4	698.0	690.4	693.0
July	700.4	708.4	700.4	703.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	178.5	188.5	178.5	179.5
July	183.4	185.2	183.4	184.4
August	185.2	186.5	185.0	186.0
Sept	187.2	188.5	187.2	188.0
Oct	188.5	190.5	188.5	189.7
Dec	193.5	195.8	193.3	194.6
Jan	195.6	197.5	195.6	196.9
March	201.0	202.0	200.5	201.5
May	203.2	203.2	203.0	203.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	19.25	19.44	19.20	19.20
July	19.51	19.71	19.44	19.44
August	19.65	19.83	19.58	19.61
Sept	19.75	20.00	19.72	19.75
Oct	19.95	20.15	19.85	19.88
Dec	20.30	20.50	20.22	20.28
Jan	20.42	20.65	20.42	20.45
March	20.78	20.96	20.78	20.79

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	347.0	348.0	345.6	344.2
July	352.8	356.4	354.0	352.6
Sept	364.6	366.6	364.4	363.2
Dec	380.2	381.6	379.2	378.4
March	392.0	393.0	391.4	390.4
May	395.4	395.4	395.4	395.4
July	396.4	397.4	396.4	395.4

SPOT PRICES—Chicago loose lard 17.00 (same) cents per pound. New York tin 616.0-22.0 (620.0-25.0) cents per pound. Handy and Harman silver bullion 1351.0 (1291.0) cents per troy ounce.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99½	98¼	Treasury 9¼pc '83	99½	+ 1/32	9.26	10.20
102¼	100¼	Exch. 13½pc '83	101½xd	– 1/32	13.28	10.15
100 1/32	98¼	Exch. 10pc 1983	100xd	+ 1/32	10.00	10.04
97⅛	96¼	Funding 5½pc '82-84‡‡	97 1/16	...	5.67	10.13
101¼	99½	Exch. 11¼pc 1984	100¾	...	11.18	10.20
104⅝	102½	Exchequer 14pc 1984	103½xd	– ⅛	13.53	10.24
94½	92½	Exch. 3pc 1984	94½xd	+ 1/16	3.18	8.20
102½	100⅛	Treasury 12pc 1984	102¼	...	11.73	10.08
107½	105⅝	Treasury 15pc 1985	106⅞	...	14.03	10.58
107	101⅞	Exch. 12pc Cnv. '85	103¾	...	11.57	9.70
90⅞	88⅝	Treasury 3pc 1985	90⅝xd	...	3.31	8.14
102⅞	99⅝	Treasury 11½pc 1985	101⅜	+ 1/16	11.34	10.76
102	95	Treas 8¼pcCnv '85	96¼	...	9.04	10.32
103⅝	100⅛	Exch. 12¼pc 1985	103xd	+ 1/16	11.89	10.83
102⅞	99⅞	Exch 11¼pc '86	102	+ 1/16	11.52	10.87
88½	85⅝	Treasury 3pc 1986	86¼xd	...	3.46	8.05
67⅞	66	Exch. 10½pcCv. '86 (£65pd)	66 1/16	...	10.51	10.51
103½	100 1/16	Treasury 12pc '86	102½xd	– 1/16	11.67	10.98
97½	94⅜	Treasury 8¼pc '84-86‡‡	95¾	...	8.92	10.30
112¾	103¾	Treas. 12¼pc '86 Cnv	109¾	...	11.21	8.82
109⅞	105½	Exch. 14pc 1986	108 1/16	...	12.94	11.06
107¾	103⅝	Exch. 13¼pc 1987	106 1/16	...	12.48	11.13
84⅛	81¼	Exchequer 2½pc 1987	81¼	...	3.08	8.34
100 1/16	95⅞	Exch. 10½pc 1987	98 1/16	...	10.67	10.98
99⅛	97¼	Exch. 10½pc 1987A	98¼	...	10.69	11.04
93¾	89⅜	Funding 6½pc '85-87‡‡	89⅜	...	7.27	9.79
81⅞	81⅛	Treasury 3pc 1987	81¼	...	3.69	8.44
104⅝	99⅞	Treas 12pc 1987	102⅝	...	11.69	11.21
93¼	89⅜	Treasury 7¾pc '85-88‡‡	90 1/16	...	8.57	10.36
101½	95½	Exch 10½pc '88	97⅝xd	...	10.76	11.12

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
81½	75¼	Transport 3pc '78-88	78⅜	...	3.88	8.58
96½	90¾	Treas. 9½pc '88	93¼	...	10.20	11.21
104⅝	95¼	Treasury 11½pc 1989	101¾	...	11.61	11.71
60 1/16	59⅝	Treas. 10½pc '89 (£60pd)	59¾	...	11.06	11.67
83¾	77½	Treasury 5pc '86-89	78⅞	...	6.44	9.76
111⅜	103	Treasury 13pc 1990‡‡	110¼	...	12.28	11.69
108¼	101¾	Exch. 12¼pc 1990	105¾	...	12.10	11.76
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Index-Linked

1983 High	Low	Stock	Price £	+ or –	(1)	(2)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS—Continued

Financial

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
102½	101½	FFI 14pc '83	101¾	...	13.76	10.83
95¼	92	FFI UK Fab⅜pcDb '81-86	93xd	...	6.72	11.45
102	96½	Do. 10⅞pc Uns.Ln. '86	101	...	10.80	11.75
103	96½	Do. 11pc Uns.Ln. '88	102½	...	11.17	11.30
104	97½	Do. 11¾pc Uns.Ln. '90	103½	...	11.85	11.15
105½	97½	Do. 12¾pc Uns.Ln. 1992	104	+ ¼	12.27	12.15
78¾	74½	Do. 7¼pc A Deb '89-92	78¼	...	9.70	11.45
76½	70½	Do. 7¼pcADeb. '91-94	74	...	10.04	11.70
86½	81	Do. 9pc 'A' '91-94	84	...	10.94	11.90
85	72 5/16	Do. 8⅞pcLn. '92-97	83	...	11.06	11.65

Building Societies

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101¼	100	Nat'wide 13⅞pc 23.5.83	100xd	...	—	—
101⅛	100⅛	Do. 13⅜pc 13.6.83	100¼xd	...	13.90	10.64
101½	100¼	Do. 14pc 4.7.83	100¼	– ⅛	13.97	11.64
101⅝	100⅜	Do. 13¼pc 25.7.83	100⅜	– ⅛	13.08	10.95
100½	100	Do. 11⅞pc 15.8.83	100	– ⅛	11.88	11.71
100¼	98⅞	Do. 11¼pc 30.8.83	100	– ⅛	11.25	11.03
100⅛	99¼	Do. 11⅜pc 3.10.83	100¼	– ⅛	11.35	10.41
99¾	98	Do. 9⅞pc 31.10.83	99⅝	– ⅛	9.98	10.70
99¾	98	Do. 9⅞pc 28.11.83	99⅝xd	– ⅛	9.91	10.54
100½	99⅜	Do. 11¼pc 19.12.83	100⅜xd	– ⅛	11.21	10.63
100¼	99	Do. 11⅞pc 23.1.84	100⅝	– ⅛	11.80	10.94
100⅞	100	Do. 11⅞pc 13.2.84	100⅝	– ⅛	11.79	10.83
100⅝	99	Do. 11¼pc 19/3/84	100¼	– ⅛	11.22	10.95
100⅝	100 1/16	Do. 11¼pc 9/4/84	100⅝	– ⅛	11.18	10.57

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
12	8	Chinese 4½pc 1898	10	...	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1983 High	Low	Stock	Price	+ or –	Div. Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1983 High	Low	Stock	Price	+ or –	Div. Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
485	420	Bank Scotland £1	453	...	24.0	3.6	7.6	4.0
508	385	Barclays £1	460	...	22.0	3.4	6.8	4.8
295	235	Brown Shipley £1	275	...	7.0	—	3.6	—
400	315	Cater Allen £1	370	+5	23.8	—	9.2	—
101	78	Charterhouse Gp.	92	...	5.18	1.5	8.0	10.5
44	32	Clive Dis'nt 20p	36	...	3.2	—	13.4	—
940	650	Com'zbk DM 10	900	–10	—	—	—	—
£23	£11½	C'hgn.Hbk Kr100	£18	–½	Q15%	—	9.0	—
9	6½	Dawes (G. R.)	7½	...	—	—	—	—
£94	£68½	Deutsche Bank DM50	£87xd	+½	Q22%	—	4.9	—
143	103	English Assoc.	132	...	3.0	4.1	3.3	11.5
54	39	First Nat. 10p	54	+3½	—	—	—	4.3
1	¼	Do. Wrrts. 75-83	1	+¼	—	—	—	—
405	323	Gerrard Natal	370xd	+2	20.0	—	7.7	—
53	43	Goode D't Mry.5p	47	...	1.0	—	3.0	—
175	148	Grindlays	153	...	4.38	3.0	4.1	11.7
52	39	Guinness Peat	46	...	—	—	—	—
140	100	Hambros 5p	100	–2	5.28	—	7.5	—
217	177	Hill Samuel	200	...	18.0	—	5.7	—
86½	63½	Hong Shng.$2.50	73	...	Q55c	—	7.1	—
76	61	Jessel Toyn. & Gillett	64xd	...	5.5	—	12.3	—
230	185	Joseph (Leo) £1	238	...	10.45	—	6.5	—
116	104	King & Shax 20p	105	...	7.5	—	10.7	—
326	270	Kleinwort B.L.	280	...	11.0	—	5.6	—
550	395	Lloyds £1	530	+7	24.58	3.8	6.6	4.3
39	28	Manson Fin. 20p	38	...	‡2.0	2.3	‡	5.3
282	234	Mercury Secs.	273	+1	7.7	—	4.0	—
420	295	Midland £1	360	...	25.5	2.8	10.1	4.2
£80	£67	Do. 7½% 83-93	£75	+½	Q7½%	33.5	F10.5	—
£97	£89½	Do. 10¾% 93-98	£96	+¼	Q10¾%	33.5	F12.1	—
118	77	Minster Assets	102	+1	4.5	2.4	6.3	9.5
175	138	Nat Aus Bk $A1	163	–2	Q23c	♦	8.6	♦
612	446	Nat. West. £1	565	+3	29.0	4.1	7.3	3.6
£80	£64	Ottoman Bank £20	£66	...	Q45%	—	7.3	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
396	344	Initial	361		†10.75	2.5	4.3	11.2
45	27	Inter-City 20p	33		—	—	—	—
180	158	[illegible]	178	+3	u4.0	1.8	3.2	24.7
206	165	Jackson Bourne	173		5.0	3.1	4.1	11.2
28½	19	James Inds. 10p	24½	–½	1.25	♦	7.6	♦
160	119	Jardine M HK$5	120		Q80c	♦	6.5	♦
34	18	Jenks & Cattell	31xd		1.06	♦	4.7	♦
348	282	Johnson Clnrs.	298		10.8	2.8	5.2	8.4
340	293	Johnson Mthy. £1	317	+2	10.0	1.9	4.5	13.9
337	228	Johnston Grp. 10p	337		6.0	5.0	2.6	11.2
102	87	Jourdan (T.) 10p	100		5.6	1.2	8.0	13.8
59	39	Kalamazoo 10p	52		2.5	0.9	6.9	23.3
210	140	Kelsey Inds.	170		8.0	1.7	6.7	11.7
140	110	Kershaw (A.) 5p	135		15.0	0.6	15.9	(8.3)
54	39	Kleen-E-Ze Hldgs.	53		t3.0	0.2	8.1	—
*74	52	L.C.P. Hldt.	70		3.6	0.6	7.3	(48)
136	103	L.R.C. Int. 10p	119	–2	t3.1	2.0	3.7	20.1
30	17	Lamont Hldgs. 10p	28		1.3	1.8	6.6	11.0
37	26	Lawtex	35		—	—	—	—
410	350	Lep Group 10p	350		17.5	1.7	7.1	(8.2)
36	22	Lilleshall 10p	36		d1.0	—	4.0	—
700	170	Lon. & Lvr. 10p	184	–6	5.5	♦	4.4	♦
128½	102	London & Mid'd.	124		7.75	1.1	8.9	(14.8)
71	55	Lon. & Nthn. Grp.	71	+1½	t3.75	2.1	7.5	7.6
40	28½	Lon. Prv. Health	28½	–½	—	—	—	14.3
9½	7½	Long Hmbly 10p	9½		♦8—	—	—	—
65	46	Longton Inds.	52		1.0	—	2.7	—
110	70	Low & Bonar 50p	94	–2	5.0	0.6	7.6	(40)
26	16	M.Y. Dart. 10p	19	–½	0.1	—	0.8	—
212	138	M'c'rthy Ph. 20p	138	–2	7.0	2.5	7.2	6.9
146	128	Macfarlane Gp.	141		3.52	2.1	3.6	17.2
46	41	Macllellan 20p	41		d1.5	1.6	5.4	14.4
63	48	Macpherson (D.)	58	–1	4.2	0.6	10.3	(14.2)

INSURANCE

LEISURE—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net
175	118	Boosey & Hawkes	175xd		2.3
61	40	Campari Int. 20p	51	+1	d2.73
32	23	Fairline Boats 10p	31	–1	†d1.0
16½	14½	GRA Group 5p	15		—
58	45	Grampian TVA 10p	54		3.6
163	136	HTV Non/Vtg.	151	+9	11.0
222	145	Horizon	153	–2	3.6
134	91	Intasun 10p	125		3.5
168	141	LWT "A"	141	–1	11.08
378	187	Leisure Inds.	340		♦16.0
*147	101	Leisuretime Int 10p	109		g1.54
328	108	Mngmt. Ag. M. 10p	117	–3	8.75
60	52	Medminster 10p	52		†4.0
128	53	Nimslo Int 20c	56	+1	—
107	45½	Norton Opax 10p	107xd	+17	t2.17
29	22½	Owners Abroad	23		0.5
47	36	Photax (Lon.)	36		—
153	90	[illegible] 10p	90	–3	wd1.5
335	217½	Pleasurama 5p	297		t5.75
173	108	Radio City 'A' NV	165	–5	g5.6
207	138	Riley Leisure 10p	172		3.95
130	84	Saga Hols. 20p	130	+4	d3.73
515	345	Samuelson Grp 20p	475		¶d12.0
104	94	Scott. TV 'A' 10p	98		7.35
68	28	SelecTV 10p	36	–2	—
16½	15½	TSW 5p	16		0.9
43	30	TVS N/Vtg 10p	33		—
29	21	[illegible] 10p	21		b0.2
104½	64	Trid't TV 'A' 10p	85		♦4.26
180	110	21st Century Dist	110		—
24	15	Webb (Jos.) 5p	18½		d0.51
85	78	Zetters 5p	79		2.75

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
170	115	Admiral Mines	135	–5	—	—	—
90	34	♥Anglo-Dominion	65		—	—	—
90	54	♥Anglo Utd. Dev.	80	+1	—	—	—
135	60	♥Colby Res Corp.	95		—	—	—
485	315	Cons. Murch. 10c.	440		‡Q60c	1.9	‡
5½	3	‡‡Explaura Gold	3		—	—	—
155	103	♥Highwood Res.	120		—	—	—
£21¼	£18	Homestake Mng $1	£19⅝xd	+¼	Q40c	—	1.4
495	360	Northgate C$1	415	+5	—	—	—
614	455	R.T.Z.	580xd	+3	16.0	1.9	3.9
£130	£108	Do. 9¼% Cnv. Uns. Ln '95-2000	£126½xd		Q9¼%	21.4	F7.5
190	13	♥Sabina Inds C$1	160	–10	—	—	—
18½	12½	‡Southwest Res 10p	17½	–½	—	—	—
600	312	♥Tara Exptn $1	590	–10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ● Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	56	
Bdg'wtr. Est. 50p	260	
Craig & Rose £1	£12	
Finlay Pkg. 5p	36	
Graig Ship. £1	£21	
Higsons Brew.	107	
Holt (Jos) 25p	910	
I.O.M. Stm. £1	102	
Pearce (C. H.)	£14	
Peel Hldgs.	200	

IRISH

Exch. 15pc 1983	£100	
Nat. 9¾% 84/89	£87½	
Fin. 13% 97/02	£97¼	+¼
Alliance Gas	103	
Arnott	200	
Carroll (P.J.)	107	
Concrete Prods	52	
Helton (Hldgs.)	16	
Irish Ropes	32	+1
Jacob	72	
T.M.G.	[illegible]	

OPTIONS

3-month Call Rates

Courtaulds	8½
Debenhams	12
Distillers	22
Dunlop	6
Eagle Star	35
F.N.F.C.	4½
Gen. Accident	40
Gen. Electric	22
Glaxo	90
Grand Met.	32
G U S. 'A'	55
Guardian	42
G K N	16
Hawker Sidd	34

Nat. West Bank	50
P & O Dfd.	14
Plessey	50
Racal Elect.	45
R.H.M.	6
Rank Org. Ord	17
Reed Intnl.	28
Sears	9
T.I.	16
Tesco	14
Thorn EMI	50
Trusthouse	20
Turner & Newall	4½
Unilever	80

Brit. Petroleum	32
Burmah Oil	18
Charterhall	5
KCA	8
Premier	4
Shell	45
Tricentrol	19
Ultramar	48

Mines

Charter Cons.	28
Cons. Gold	50
Lonrho	8½
Rio T. Zinc	55

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound trade quietly

The dollar finished below its best levels in currency markets yesterday. After a firmer start, underpinned by higher Euro-dollar rates, the U.S. unit slipped back partly on central bank intervention and softer U.S. rates as the Federal authorities added liquidity to the U.S. money market.

Sterling was a little weaker overall with the market generally unwilling to commit itself too much ahead of next month's general election.

DOLLAR — Trade weighted index (Bank of England) 122.4 against 125.2 six months ago. The dollar has remained firm as recurring hopes of a steady reduction in the Federal Reserve discount rate have been repeatedly dashed. Signs of U.S. economic growth and inconsistent money supply figures again threaten to disappoint the market, which had been hoping for a lowering of the discount rate ahead of the Williamsburg Summit.

The dollar closed at DM 2.4595 against the D-mark, having touched a best level of DM 2.4700, compared with Monday's closing level of DM 2.4615. It touched a record high of FFr 7.4325 against the French franc before slipping back to FFr 7.3950 compared with FFr 7.4125 previously. It also finished lower against the yen at Y233.05 from Y233.20 but improved slightly against the Swiss franc to SwFr 2.0450 from SwFr 2.0430.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. April average 1.5421. Trade weighted index 83.7 against 83.8 at noon and 83.8 in the morning and compared with 83.8 on Monday and 87.8 six months ago. Sterling has been much steadier of late as oil price worries have faded into the background. Election nerves have left the pound looking vulnerable at times, but the large lead of the Conservatives in the opinion polls is acting as a sedative.

Sterling opened at $1.5565-1.5575 against the dollar and touched a best level of $1.5590 before slipping to a low in the afternoon of $1.5510. It closed at $1.5565-1.5575, a fall of 15 points. Against the D-mark it finished at DM 3.8325 down from DM 3.84 and FFr 11.51 compared with FFr 11.55. It was unchanged against the Swiss franc at SwFr 3.1875 but was slightly weaker in terms of the yen at Y363.0 from Y363.75.

D-MARK — Trading range against hte dollar in 1983 is 2.4950 to 2.3320. April average 2.4413. Trade-weighted index 129.3 against 125.9 six months ago. The D-mark remained weak against its European partners for slightly over a month after the realignment of the system in late March, but with economic fundamentals continuing to favour the German currency it is showing signs of renewed strength which may well pose further problems for the EMS later this year.

The D-mark was slightly weaker against most currencies at the Frankfurt fixing, without any intervention by the Bundesbank. Sterling fell to DM 3.8360 from DM 3.8440, and the Swiss franc to DM 1.2032 from DM 1.2068. On the other hand the dollar improved to DM 2.4675 from DM 2.4593; the French franc to DM 33.245 per 100 francs from DM 33.20, and the Dutch guilder to DM 88.94 per 100 guilders from DM 88.83.

FRENCH FRANC—Trading range against the dollar in 1983 is 7.4050 to 6.6060. April average 7.3190. Trade-weighted index 69.9 against 73.0 six months ago. Political unrest and the improvement of the D-mark threaten to put further pressure on the franc within the EMS. Speculation has increased about the possibility of another devaluation this year despite the realignment involving a franc devaluation in March.

The franc was slightly firmer overall at the Paris fixing, gaining ground against most of its EMS partners. The dollar rose to FFr 7.4270 from FFr 7.37, and the Italian lira to FFr 5.0570 per 1,000 lira from FFr 5.0550. The D-mark fell to FFr 3.0074 per 10 francs from FFr 3.0101, and the Dutch guilder to FFr 2.6740 per 10 francs from FFr 2.6745.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.1785	+1.83	+0.66	±1.5430
Danish Krone ...	8.04412	8.06365	+0.24	−0.93	±1.6419
German D-Mark	2.21515	2.26231	+2.13	+0.96	±1.0567
French Franc ...	6.79271	6.80656	+0.20	−0.97	±1.4018
Dutch Guilder ...	2.49587	2.54444	+1.95	+0.78	±1.4941
Irish Punt	0.71705	0.716082	−0.13	−1.30	±1.6696
Italian Lira	1386.78	1346.00	−2.94	−2.94	±4.1463

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 17	£	$		£ Note Rates
Argentina Peso..	120,864-121,164	77,880-77,930	Austria............	26.85-27.15
Australia Dollar...	1.7595-1.7615	1.1310-1.1320	Belgium	76.55-77.30
Brazil Cruzeiro...	733.20-737.20	471.93-474.29	Denmark	13.62-13.75
Finland Markka..	8.4390-8.4630	5.4400-5.4420	France	11.47-11.67
Greek Drachma..	128.826-132.095	84.00-84.10	Germany...........	3.81¼-3.85¼
Hong Kong Dollar	10.84-10.86	6.9875-6.9925	Italy	2265-2290
Iran Rial..........	132.80*	84.90*	Japan................	359-367
Kuwait Dinar (KD)	0.4511-0.4512	0.2908-0.2909	Netherlands......	4.30-4.34
Luxembourg Fr..	76.60-76.60	49.17-49.19	Norway	11.04-11.14
Malaysia Dollar..	3.5700-3.5850	2.3000-2.3020	Portugal............	147-170
New Zealand Dlr.	2.3425-2.3475	1.5055-1.5080	Spain.................	202¼-217¼
Saudi Arab. Riyal	5.3590-5.3645	3.4498-3.4508	Sweden.............	11.63-11.73
Singapore Dollar	3.2460-3.2600	2.0910-2.0930	Switzerland	3.17-3.20
Sth. African Rand	1.6876-1.6895	1.0840-1.0850	United States....	1.54⅛-1.56⅛
U.A.E. Dirham....	5.7035-5.7105	3.6715-3.6735	Yugoslavia........	124-137

*Selling rates.

CURRENCY MOVEMENTS

May 17	Bank of England Index	Morgan Guaranty Change %
Sterling................	83.7	−36.9
U.S. dollar..............	122.4	+11.7
Canadian dollar....	90.8	−17.3
Austrian schilling..	120.4	+29.7
Belgian franc	93.6	−2.4
Danish kroner	83.4	−11.0
Deutsche mark. ...	129.3	+57.3
Swiss franc....... ..	152.0	+108.7
Guilder..................	117.8	+26.2
French franc.........	69.9	−23.3
Lira........................	51.9	−59.3
Yen........................	148.7	+42.3

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

May 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.695947	0.589823
U.S. $	8½	1.08171	0.911585
Canadian$...	9.27	*	1.12703
Austria Sch	3¾	18.7774	15.9165
Belgian F ...	9½	53.3175	45.1785
Danish Kr ...	7½	9.50823	8.06365
D mark	4	2.66912	2.26231
Guilder	4½	3.00299	2.54444
French F.....	9½	8.03386	6.80656
Lira	17	1598.49	1346.00
Yen	5½	252.225	214.756
Norwgn Kr...	9	N/A	6.52883
Spanish Pta	—	149.222	126.507
Swedish Kr	8½	8.11607	6.88034
Swiss Fr.. ...	4	2.21805	1.88175
Greek Dr'ch	20½	90.9231	76.9568

*C$/SDR rate for May 13: 1.33199.

THE POUND SPOT AND FORWARD

May 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5610-1.5590	1.5565-1.5575	0.21-0.16c pm	1.42	0.47-0.42 pm	1.14
Canada	1.9080-1.9160	1.9150-1.9160	0.30-0.20c pm	1.57	0.50-0.40 pm	0.94
Nethlnd.	4.29½-4.32½	4.30¼-4.31¼	2⅛-1⅝c pm	5.22	5⅛-4⅞ pm	4.76
Belgium	76.30-76.80	76.50-76.60	7c pm-3 dis	0.31	8 pm-2 dis	0.16
Denmark	13.63-13.67½	13.64½-13.65½	1⅞ore pm-par	0.49	1⅞-3⅞ dis	−0.73
Ireland	1.2090-1.2175	1.2110-1.2120	0.41-0.55p dis	−4.75	1.20-1.44dis	−4.36
W. Ger.	3.82-3.84½	3.82¾-3.83¾	2¼-1⅞pf pm	5.87	5¼-4¾ pm	5.21
Portugal	152¼-155¼	153¾-155¾	520-1700c dis	−86.07	805-2370dis	−41.03
Spain	214.00-215.25	214.40-214.60	210-300c dis	−14.26	675-765dis	−13.43
Italy	2273-2286	2276-2278	7-10lire dis	−4.48	29-33 dis	−5.44
Norway	11.03½-11.09½	11.07½-11.08½	3-3⅞ore dis	−3.65	9-10⅞ dis	−3.45
France	11.48½-11.55½	11.50½-11.51½	1¾-2¾c dis	−2.34	8¼-10¼ dis	−3.30
Sweden	11.63-11.68½	11.66½-11.67½	¾-1¼ore dis	−1.09	⅞-1⅞ dis	−0.43
Japan	362-364½	362½-363½	1.45-1.25y pm	4.46	3.75-3.55 pm	4.02
Austria	26.90-27.10	26.98-27.03	14⅞-12⅞gro pm	6.08	38¾-33½ pm	5.30
Switz.	3.17½-3.19½	3.18¾-3.19¾	2-1½c pm	6.59	4⅞-4⅜ pm	5.80

Belgian rate is for convertible francs. Financial franc 76.95-77.05. Six-month forward dollar 0.81-0.76c pm. 12-month 1.37-1.22c pm.

THE DOLLAR SPOT AND FORWARD

May 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5510-1.5590	1.5565-1.5575	0.21-0.16c pm	1.42	0.47-0.42 pm	1.14
Ireland†	1.2790-1.2865	1.2830-1.2840	0.60-0.50c pm	5.15	1.72-1.59 pm	5.17
Canada	1.2285-1.2320	1.2305-1.2310	0.03-0.06c dis	−0.44	0.06-0.09dis	−0.24
Nethlnd.	2.7635-2.7775	2.7650-2.7670	0.90-0.80c pm	3.68	2.49-2.39 pm	3.52
Belgium	49.06-49.30	49.17-49.19	4½-6c dis	−1.28	13-16 dis	−1.18
Denmark	8.7625-8.8000	8.7750-8.7850	⅛-1⅞ore dis	−1.02	3.35-4.35dis	−1.75
W. Ger.	2.4585-2.4700	2.4590-2.4600	0.91-0.87pf pm	4.34	2.52-2.47 pm	4.06
Portugal	98.20-98.75	98.80-99.30	250-1000c dis	−75.68	450-1450dis	−38.34
Spain	137.75-138.10	137.85-137.95	150-190c dis	−14.79	470-540dis	−14.65
Italy	1462-1469	1462½-1463½	7¼-8¼lire dis	−6.33	24-25½ dis	−6.74
Norway	7.1150-7.1325	7.1150-7.1250	2½-3½ore dis	−5.06	7.70-8.70dis	−4.61
France	7.3900-7.4325	7.3925-7.3975	2.20-2.40c dis	−3.72	8.20-8.60dis	−4.53
Sweden	7.4950-7.5100	7.4950-7.5050	1.30-1.80ore dis	−2.48	3.60-4.10dis	−2.05
Japan	232.80-234.80	233.00-233.10	0.63-0.57y pm	3.09	1.70-1.60 pm	2.83
Austria	17.30-17.37	17.34-17.36	7.00-6.20gro pm	4.57	19.00-15.60pm	4.09
Switz.	2.0415-2.0550	2.0445-2.0455	0.92-0.82c pm	5.10	2.46-2.36 pm	4.71

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.40-49.50.

EXCHANGE CROSS RATES

May. 17	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.557	3.833	363.0	11.51	3.188	4.308	2277.	1.916	76.65
U.S. Dollar	0.642	1.	2.461	233.1	7.392	2.047	2.767	1462.	1.230	49.17
Deutschmark	0.261	0.406	1.	94.72	3.003	0.832	1.124	594.1	0.500	19.97
Japanese Yen 1.000	2.755	4.289	10.56	1000.	31.71	8.781	11.87	6275.	5.277	210.9
French Franc 10	0.869	1.353	3.330	315.4	10.	2.769	3.742	1978.	1.664	66.51
Swiss Franc	0.314	0.488	1.202	113.9	3.611	1.	1.351	714.4	0.601	24.02
Dutch Guilder	0.232	0.361	0.890	84.27	2.672	0.740	1.	528.6	0.445	17.77
Italian Lira 1.000	0.439	0.684	1.683	159.4	5.055	1.400	1.892	1000.	0.841	33.62
Canadian Dollar	0.522	0.813	2.001	189.5	6.009	1.664	2.249	1189.	1.	39.96
Belgian Franc 100	1.306	2.034	5.007	474.2	15.04	4.164	5.627	2975.	2.502	100.

MONEY MARKETS

UK interest rates steady

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

UK interest rates showed little overall change yesterday. One or two period rates edged firmer by up to 1/16 of a point amid renewed dollar strength and continued pre-election nerves. Conditions regarding credit were more relaxed with the Bank of England initially forecasting a flat day, the first time since February 2 and only the second time since June 1982. In the interbank market overnight funds opened at 10⅛-10½ per cent and rose to a high of 10½ per cent before slipping away in the afternoon to 2 per cent.

The Bank forecast a flat position initially although this was later changed to a shortage of around £50m. Factors affecting the market tended to favour the banks rather than discount houses with bills maturing in official hands and a net take up of Treasury bills draining £248m while Exchequer transactions added £200m and a fall in the note circulation a further £70m.

There was no assistance in the morning but the Bank bought £51m of eligible bank bills in band 2 (15-33 days) in the afternoon at 10 per cent.

In Frankfurt call money was quoted at 5.05 per cent. This was a little above the 5 per cent Lombard rate but the market was unsure as to whether the Bundesbank would provide extra liquidity in view of the dollar's current strength against the D-mark. This is despite an expected tightening later this month due partly to an outflow of funds ahead of the Whitsun break.

In Amsterdam the Dutch central bank announced its intention to offer today a further special advance facility. Dealers noted that Fl 2.52bn of special loans are due to expire by Thursday. The new loans will command a rate of 5⅜ per cent compared with 5½ per cent previously, running between May 19 and May 25.

In Rome the Italian Treasury introduced a tender of L15,000bn of Treasury bills for its end of month auction, replacing maturities of L14,892bn. Initial estimates indicated that yields were likely to fall marginally compared with the previous tender.

LONDON MONEY RATES

May 16 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight........	—	2-10½	10⅛-10 3/16	—	—	6-10⅛	3-10¼	—	—	—
2 days notice .	—	—	10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice ..	—	10¼-10⅜	10¼	—	—	10⅜-10½	10-10¼	—	—	—
One month......	10 7/16-10 5/16	10 5/16-10½	10¼-10 7/16	11-10⅝	10⅛	10⅜-10⅜	10	10-10 1/32	10 1/16	10 5/16
Two months ...	10⅜-10¼	10 5/16-10 7/16	10¼-10 5/16	10⅞-10½	10 5/16	10¾	9⅞	9 31/32-9 29/32	9¾	10⅜
Three months .	10 5/16-10 3/16	10¼-10⅜	10¼	10¾-10⅜	10 5/16	10¾	9¾-9⅞	9⅞	9 13/16	10 5/16
Six months......	10⅛-10	10¼-10⅜	10¼	10½-10⅛	10⅜	—	—	—	9 11/16-9¾	10⅛
Nine months ...	10 3/16-10⅛	10¼-10⅜	10¼	10¾-10⅜	10⅜	—	—	—	—	—
One year	10 3/16-10 1/16	10¼-10⅜	10¼	10⅝-10¼	10⅜	—	—	—	—	—
Two years.......	—	—	10¾	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period April 6 to May 3 1983 (inclusive) 10.304 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞-11 per cent; four years 11⅛-11¼ per cent; five years 11¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⅞ per cent; four months trade bills 10⅛ per cent.

Approximate selling rate for one month Treasury bills 9 31/32-10 per cent; two months 9 13/16-9 25/32 per cent; three months 9¾ per cent. Approximate selling rate for one month bank bills 10 1/32 per cent; two months 9 15/16 per cent and three months 9⅞ per cent; trade bills one month 10 7/16 per cent; two months 10 5/16 per cent and three months 10 5/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from May 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¾ per cent.

Treasury Bills: Average tender rates of discount 9.7471 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¾ per cent; three-six months 10¾ per cent; six-12 months 10¾ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¾ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 17	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling........	10¼-10⅜	10¼-10⅜	10 5/16-10 7/16	10 5/16-10 7/16	10 5/16-10 7/16	10 5/16-10 7/16
U.S. Dollar....	8⅝-8⅞	8¾-9	8 13/16-9 1/16	8⅞-9⅛	9 1/16-9 5/16	9⅛-9⅜
Can. Dollar....	10-10¾	9-9½	9¼-9½	9⅜-9⅝	9 5/16-9 9/16	9 5/16-9 9/16
D. Guilder	5⅛-5⅜	5 1/16-5⅜	5 7/16-5 9/16	5⅜-5⅝	5 5/16-5 9/16	6-6⅛
S. Franc......	2½-3	2½-3	4 3/16-4 5/16	4 3/16-4 5/16	4 5/16-4 9/16	4 5/16-4 9/16
Deutschm'rk	4 5/16-4 7/16	4⅝-4⅞	4⅞-4 15/16	5-5 3/16	5 5/16-5 7/16	5⅜-5⅛
Fr'nch Franc	12-12¼	12¼-12½	12⅜-12⅝	13⅜-13⅝	15¾-16	17-17¼
Italian Lira...	14-15½	14-15½	14¾-15¼	15⅝-16⅛	16⅞-17⅜	18⅝-19⅛
Belg. Franc..						
Conv..........	9¾-10¼	9¾-10⅛	10-10½	10-10½	10¼-10¾	10½-11
Fin............	9¾-10¼	10-10¼	10⅛-10⅝	10⅛-10⅝	10⅜-10⅝	10⅝-10⅝
Yen	6 3/16-6 7/16	6¼-6⅝	6¼-6⅝	6¼-6⅝	6¼-6⅝	6⅜-6½
D. Krone.......	9¼-9¾	9¼-9¾	9⅝-10¼	10⅞-11⅜	11½-12	11⅝-12⅛
Asia $ (Sing.)	8 13/16-9 1/16	8 13/16-9 1/16	8 13/16-9 1/16	9-9⅛	9 1/16-9 5/16	9⅛-9⅜

FT LONDON INTERBANK FIXING

(11.00 a.m. MAY 17)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 1/16	offer 9 3/16	bid 9 1/8	offer 9 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)	8 3/16
Treasury bills (13-week)	8.10
Treasury bills (26-week)	8.15

GERMANY

Lombard	5.0
Overnight rate	5.05
One month	5.25
Three months	5.30
Six months	5.36

FRANCE

Intervention rate	12.5
Overnight rate	12.25
One month	12.50
Three months	12.50
Six months	12.625

JAPAN

Discount rate	5.5
Call (unconditional)	6.03125
Bill discount (3-month)	6.59375

SWITZERLAND

Discount rate	4
Overnight rate	2½-3½
One month	4¼-4½
Three months	4¼-4¾

NETHERLANDS

Discount rate	4½
Overnight rate	4½-5
One month	5⅜-5⅝
Three months	5⅜-5⅝
Six months	5½-5¾

$ CERTIFICATES OF DEPOSIT

One month	8.65-8.75
Three months	8.70-8.80
Six months	8.90-9.10
One year	9.00-9.20

LONG TERM EURO $

Two years	10-10¼
Three years	10½-10⅞
Four years	11-11¼
Five years	11¼-11½

SDR LINKED DEPOSITS

One month	8 5/16-8 9/16
Three months	8 7/16-8 11/16
Six months	8 9/16-8 13/16
One year	8⅞-9⅛

ECU LINKED DEPOSITS

One month	8 7/16-8 11/16
Three months	9 3/16-9 7/16
Six months	9 5/16-9 9/16
One year	9¾-10

FINANCIAL FUTURES

Easier trend

Near dated sterling interest rate contracts had an easier trend on the London International Financial Futures Exchange yesterday, although some of the longer dated positions showed less change. The June gilt contract opened at 103-20, and touched a low of 103-18, but rose to 104-00 during the day, unchanged from Monday's close, before finishing at 103-31. September delivery traded only 59 lots, compared with 825 for June, and finished little changed at 103-20, against 103-19 previously.

The three-month sterling interest rate contract began at 90.03 for June delivery, and traded within a narrow range of 89.99 to 90.05, before closing at 90.02, compared with 90.09 previously.

Cash positions were generally little changed in quiet trading, reflecting indications that interest rates are unlikely to move ahead of the British general election and the Williamsburg Summit. U.S. economic statistics, including the latest money supply figures, have tended to dash hopes of an imminent cut in the Federal Reserve discount rate, although Eurodollar trading remained within a fairly narrow range. June delivery opened at 91.09, the highest leevl of the day, and after falling to a low of 91.00, finished at 91.06, compared with 91.15 on Monday.

The sterling currency contract was again quite active, with the June contract closing at 1.5515, compared with 1.5595 previously, after opening at 1.5550, and trading within a range of 1.5512 to 1.5560.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	91.06	91.09	91.00	91.15
Sept	90.83	90.90	90.79	90.95
Dec	90.59	90.63	90.55	90.69
March	90.36	90.38	90.34	90.43
June	90.08	—	—	90.21

Volume 2,288 (2,013)
Previous day's open int. 4,256 (3,846)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.02	90.05	89.99	90.09
Sept	90.15	90.25	90.15	90.30
Dec	90.06	90.16	90.03	90.23
March	89.95	89.95	89.90	90.02
June	89.74	—	—	89.82

Volume 894 (636)
Previous day's open int. 3,516 (3,583)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	103-31	104-00	103-18	104-00
Sept	103-20	103-20	103-11	103-19
Dec	105-12	105-12	105-00	105-13
March	104.40	—	—	105.00
June	—	—	—	104-21

Volume 909 (1,160)
Previous day's open int. 3,348 (3,324)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) 4 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5515	1.5560	1.5512	1.5595
Sept	1.5473	1.5514	1.5473	1.5539
Dec	1.5443	1.5480	1.5443	1.5509

Volume 1,450 (735)
Previous day's open int. 1,983 (1,867)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4062	0.4066	0.4060	0.4071
Sept	0.4107	0.4111	0.4107	0.4113
Dec	—	—	—	—

Volume 146 (110)
Previous day's open int. 460 (432)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4886	0.4904	0.4880	0.4910
Sept	0.4945	—	—	0.4969
Dec	—	—	—	—

Volume 36 (126)
Previous day's open int. 513 (489)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4281	0.4281	0.4278	0.4290
Sept	0.4313	—	—	0.4322
Dec	—	—	—	—

Volume 78 (106)
Previous day's open int. 416 (386)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	77-10	77-23	77-07	77-17
Sept	76-24	77-04	76-22	77-00
Dec	76-09	76-21	76-07	76-16
March	75-27	76-05	75-25	76-02
June	75-17	75-23	75-14	75-22
Sept	75-07	75-12	75-07	75-12
Dec	74-30	75-02	74-26	75-03
March	—	—	—	74-27
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.74	91.86	91.72	91.83
Sept	91.56	91.65	91.48	91.62
Dec	91.33	91.43	91.26	91.40
March	91.13	91.23	91.09	91.21
June	91.04	91.04	90.95	91.02
Sept	90.84	90.85	90.79	90.83
Dec	90.66	90.66	90.58	90.65
March	90.44	90.49	90.44	90.50

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.34	91.40	91.27	91.40
Sept	91.05	91.12	91.00	91.12
Dec	90.77	90.85	90.74	90.85

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.81	90.87	90.77	90.88
Sept	90.56	90.64	90.53	90.64
Dec	90.34	90.38	90.28	90.39
Feb	—	—	—	—
March	90.11	90.15	90.04	90.16

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.5560	1.5570	1.5485	1.5595
Sept	1.5500	1.5525	1.5445	1.5555
Dec	1.5480	1.5505	1.5430	1.5530
March	1.5440	1.5470	1.5400	1.5515
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	70-28	71-02	70-21	71-00
Sept	70-03	70-11	69-30	70-09
Dec	69-12	69-21	69-08	69-20
March	68-24	69-01	68-15	69-01
June	68-13	68-17	68-10	68-19
Sept	—	—	—	68-06
Dec	67-18	67-22	67-18	67-28
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

LEGAL NOTICES

NOTICE OF FINAL MEETING (CREDITORS' VOLUNTARY WINDING UP)

HARDASH ESTATES LIMITED

NOTICE IS HEREBY GIVEN pursuant to section 300 of the Companies Act 1948, that a general meeting of the above-named company and a meeting of the creditors of the said company will be held at 38 Fenchurch Street, London EC3P 3AS on Wednesday, the 22nd day of June 1983 at 10 o'clock and 10.30 o'clock in the morning respectively, for the purpose of having an account laid before the members and the creditors showing the manner in which the winding up has been conducted and the property of the company disposed of, and of hearing any explanation that may be given by the liquidator, and also of directing at the said meeting of creditors the manner in which the books, accounts and documents of the company and of the liquidator shall be disposed of.

A member entitled to attend and vote at the above general meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not also be a member.

Dated this 13th day of May 1983.
R. M. ILES, Liquidator.

IN THE MATTER OF CLAYDON FROZEN FOODS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 17th day of June, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Walter John Hartigan of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 9th day of May 1983.
P. W. J. HARTIGAN, (FCCA), Liquidator.

PUBLIC NOTICES

INVESTIGATION BY THE MONOPOLIES AND MERGERS COMMISSION

PROPOSED ACQUISITION OF SOTHEBY PARKE BERNET GROUP PLC BY GFI/KNOLL INTERNATIONAL HOLDING COMPANY

On 3 May 1983 Lord Cockfield, Secretary of State for Trade, referred to the Monopolies and Mergers Commission for investigation and report under the provisions of the Fair Trading Act 1973 the proposed acquisition of Sotheby Parke Bernet Group PLC by GFI/Knoll International Holding Company. The Commission is required to make its report by 2 November 1983.

Any person or organisation wishing to give information or views on this proposed acquisition should write as soon as possible to:

The Secretary
Monopolies and Mergers Commission
New Court
48 Carey Street
London WC2A 2JT

EAST SUSSEX COUNTY COUNCIL

£5,000,000 Bills issued on 18 May 1983 at a rate of 9 31/32% to mature 17 August 1983. Total applications were £31,000,000 there were £7,000,000 outstanding.

PUBLIC NOTICES

NEWCASTLE UPON TYNE

£10,000,000 Bills issued on 18 May 1983 at a rate of 9 31/32% to mature 17 August 1983. Total applications were £31m there were no bills outstanding.

SUFFOLK COUNTY COUNCIL

£5,000,000 Bills issued on 18 May 1983 at a rate of 9 31/32% to mature 18 August 1983. Total applications were £34,000,000 there were £8,000,000 outstanding.

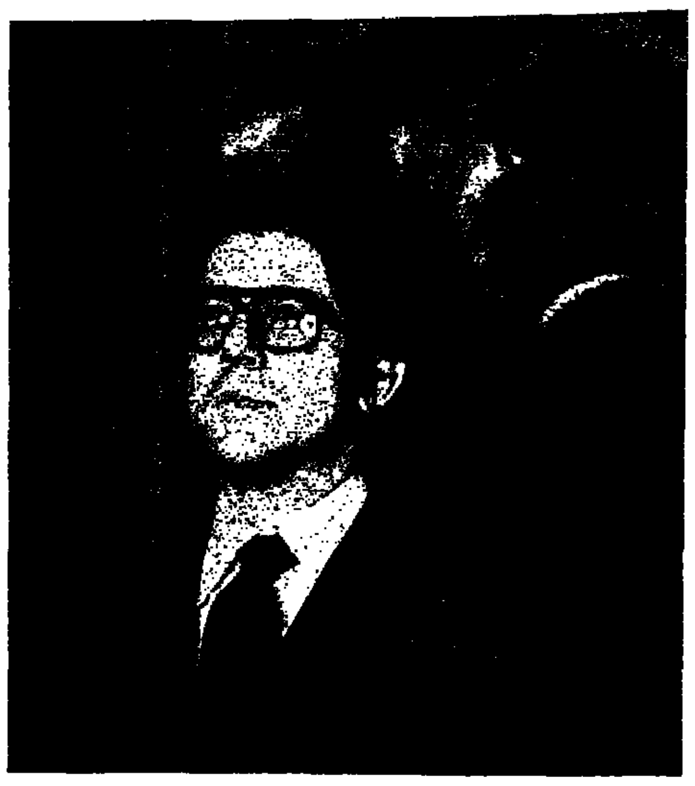
INVEST

BII-Invest Group, Via Turati 25, 20121 MILANO

A STRATEGY FOR THE FUTURE

Interview with Dr. Carlo Bonomi

Chairman of Beni Immobili Italia and Invest



Dr. Carlo Bonomi

Q: What is the long term strategy of BII-Invest? How does it cope with a myriad of subsidiaries in sectors ranging from fish-farming to insurance? What are its responsibilities to management, shareholders and workers? And how far should it become involved on a partnership basis with the government in Italy's economic future?

These are all vital questions for a group with a turnover equivalent to $1.6bn dollars a year and a workforce of approximately 10,000 people. In a broad-ranging interview in London recently Dr Carlo Bonomi, its chairman, offered the following answers.

Q: What was the thinking behind Invest's acquisition of Fingest from Montedison in 1979 and how far has that purpose been achieved?

A: Our strategy up to now has been very successful. We wanted to increase our insurance business and we managed to do it. We are now in the second phase of reorganising the companies that we acquired which were not up to standard. We now have to enter the third phase which is rationalising some of our investments with the central aim of improving the overall return.

Q: Does this mean selling some of your subsidiaries outside the financial sector?

A: When you are a group the size of Invest inevitably the growth of the group has to take into account acquiring companies that are not really what we'd like to acquire. The basic strategy was clear. We were too much invested in industry and we wanted to go back into insurance and banking. We are now in a position to be able to sell if we want, some of our manufacturing companies but that is very difficult now. It is not a seller's market.

Q: This means you have had to improve the management of these companies. How have you done this and what is your approach to management?

A: This is a basic concept. Management expertise is fundamental. You can't run a holding company as diversified as Invest if you don't have a strong and independent management in your subsidiaries. We try to have a management as strong as it should be.

Q: How much day-to-day influence does Invest have in the running of its subsidiaries?

A: Once a year we review a company's budget and we keep a tight control on a monthly basis to see that it is meeting its targets, but we have never blocked a project *if viable nor seldom suggested one.*

Q: What about the problem areas such as textiles?

A: With textiles we looked into the situation more deeply. It's a difficult sector and we had to review the strategy. In a case like that we review the programmes and involve ourselves more directly. If a company needs more attention, then we put a team of people in there.

Q: How far is the Bonomi family involved in running the Invest group?

A: When you grow at a rate that we've been growing it's fundamental that the company must be run by professional management and that management knows that its career is not blocked by family influence. I am the only member of the family in all the group. I want to emphasise that independent professional management is what we want.

Q: What about the development of Invest outside the financial sector on which you are concentrating?

A: We have a role in the country whereby there are some industries which we are not only supporting but looking to develop because they are necessary to the Italian economic system. These are fields where we want to see our presence increasing, for instance in the chemicals field, though this is more related to refined products than raw materials. The concept here is very important. Italy is a country with a mixed economy *whereby the State has a great influence.*

The State has realised that the only way to make investments is to do it in conjunction with private enterprise which is a major departure from previous attitudes.

It's very important that we prove that this is the right way to go. If the government decides that it wants to make joint ventures, then this is the best choice and at least we can help them and they can help us with their resources. This is a major change which has happened and we want to be part of it.

Q: This means that the future of Invest is very tied up with the future of Italy.

A: We run with the future of the country. There are fields where we count on being part of the government's decisions. That's also why we joined with others to bring Montedison back into the private sector. There is *no big group in Italy which is independent of our* country's fortunes. Therefore we've got to be in a position where we can help discuss and protect strategies with the government.

BII-INVEST GROUP

Making a virtue from diversity

The Invest Group is an unusual corporate animal by any country's standards. It is unusual because it represents an impressive array of more than 70 Italian and 10 international companies, all coordinated by a Milan and Luxembourg management staff of less than two dozen.

Invest is unusual because it is a major financial entity which now has annual turnover of around Lit 2,000 bn and is nonetheless tightly controlled. It is unusual because it has mutated from having been a private group run by the Bonomi family for three generations into what is now recognised and respected in Europe as a professionally run conglomerate.

With around 10,000 employees and activities which include being Italy's third largest insurance group (half of the annual turnover comes from insurance premiums) Invest can only be described as extraordinary. The group's interests range from finance and merchant banking to the manufacture of washing powder, matches and industrial chemicals. Invest is involved in real estate and property development in Italy and abroad, it is the owner of the famous Sella & Mosca wine-making company in Sardinia and has agricultural interests in the United States.

The breadth of the group's activities is wide enough to include the ownership of hotels.

Invest Group's origins can be traced to the last century, when a number of its principal companies were started. It is now headed by Beni Immobili Italia, a construction and property development group which also serves as the central coordinating body for all 80 companies.

Carlo Bonomi, who is 42, is chairman of both Beni Immobili Italia and Invest, having taken over the former from his mother Anna Bonomi Bolchini in 1981. The Bonomi *family maintains a 54 per cent controlling* shareholding in the financial, property and industrial empire, but some 14,000 public shareholders own the balance. Several of the Invest companies are quoted on the Milan bourse as well as other stock exchanges.

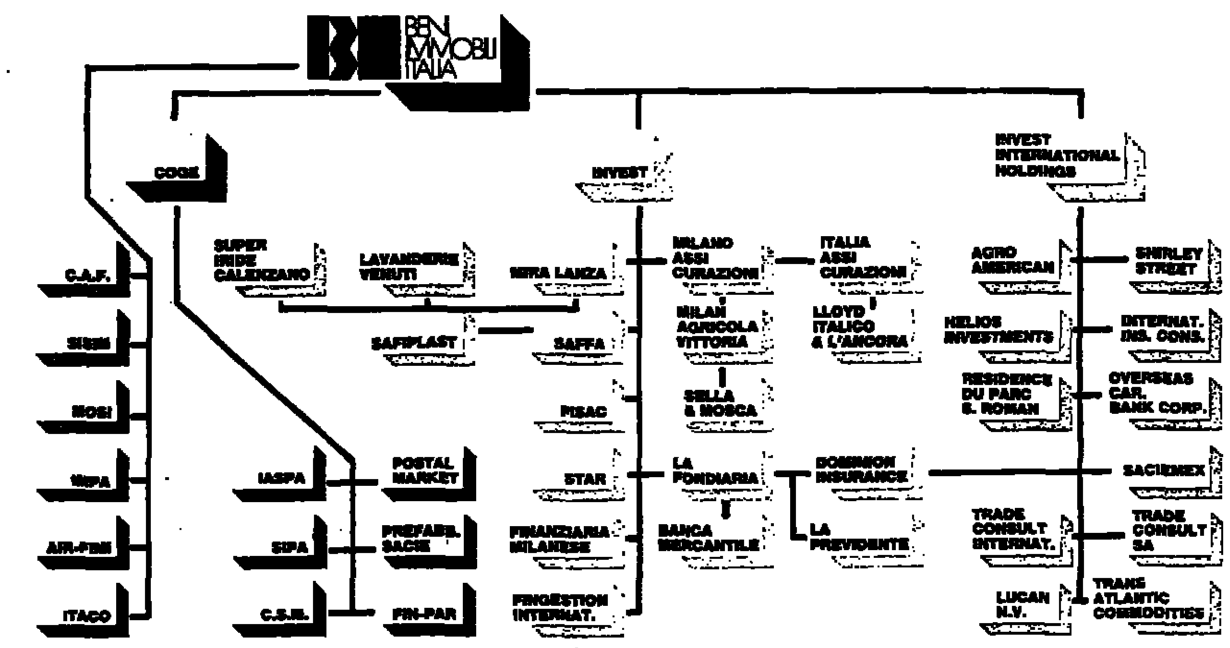
Growth

Perhaps the most important development for Invest in the past generation was the acquisition in June 1979 of a 70 per cent controlling shareholding in the Fingest financial group, for Lit 112bn ($131m at the time). Fingest was bought from Montedison, the Milan-based chemicals conglomerate, and the sale of the majority holding to the Bonomi family group was generally regarded in Italy as a financial coup.

Without a doubt the Lit 112bn acquisition of Fingest transformed the shape of the Invest group. Fingest's main interests were in insurance and the deal made Invest one of the biggest private sector financial groups in Italy; Invest now controls insurance companies such as the prestigious Florence-based La Fondiaria, Milano Assicurazioni, Italia Assicurazioni, Lloyd Italico e l'Ancora and the Dominion Insurance Company in London.

By November of 1979 the original Invest group and its newly acquired Fingest holdings were merged into one group, dubbed "Grande Invest" in Italy. Next the capital of Invest was increased and the management embarked upon a three-year programme of consolidation which is nearing its final stages.

Dr Eduardo Salvia, BII's company secretary and a special aide to the Chairman, explains that it was necessary to "put the boxes in order in our shop". The Milan-based management also underwent changes. New and independent executives were recruited to manage the group and work hard towards its integration.



Group strategy

The idea has been to develop a unified strategy for Invest which is predicated upon three main principles. This concept, a very pervasive philosophy within the Invest management, is to follow a strategy of diversification in order to spread investment risk, but never to undertake ventures which are too large or unwieldy.

The Invest top management, housed at the group's headquarters on Milan's Via Turati, attends to its three main functions closely: image, control and financial services. Thus, the many subsidiaries retain a fair degree of autonomy, but the Via Turati management handles public relations, daily and monthly budget and staff control and investment and other financial affairs.

Dr Salvia explains: "The board of directors of each company is very free provided they give us regular briefings".

The most important requirement, the group feels, is the need for "brains". "We need brains, we look for capable people, first-class people, people who are technically prepared, sound, imaginative and competent".

The emphasis these days is on productivity and cost-cutting throughout the group. Invest is fully aware of the challenge of the present world recession; the trick is to make proper use of technology and marketing in order to operate profitably with fewer workers.

The strategy seems clear and Invest has managed to combine its rapid growth in recent years with a tight management discipline. Invest has been able to put into practice the kind of management theories which are usually taught at modern business schools, a rather unusual feat.

But then, the Invest Group is a rather unusual corporate animal…

"To make insurance doubly sure"

(with apologies to William Shakespeare)

The Invest Group has been spreading out more and more in the field of Insurance. Five Italian Insurance Companies, one UK Insurance Company (the Dominion), and one of Italy's newest and largest re-insurance companies MILL·RI.

Behind this is an increasing awareness of the importance of Insurance throughout Italy. Although the country discovered insurance late (only since 1971 has it been obligatory to insure Motor Cars), it is discovering it more and more.

Which is why the Invest Group sees a great potential in this field.

The Invest Insurance Companies are grouped in the triangle Milano, Genoa and Florence.

Which means they combine the Lombard know-how of the Milanese (not for nothing is a certain street in the City called Lombard Street), the canny, somewhat Scots-like approach of the Genoese, and the brilliant dash of the Florentines.

The Dominion Insurance Company Limited · LA FONDIARIA · ITALIA ASSICURAZIONI · Lloyd Italico & l'Ancora · MILANO ASSICURAZIONI · LA PREVIDENTE S.p.A.

ADVERTISEMENT

FISAC

A tradition of quality for the 1980's

In Fisac (Fabbriche Italiane Seterie Affini Como) Invest owns a company that is not only one of Italy's leading silk producer but also a European leader in the manufacture of silk jacquard, fine cloth and fashion fabrics.

Founded in 1906 it was acquired by the Invest group in 1979 and now produces about 90,000 metres of textiles a day in natural, synthetic, artificial and blended fibres particularly for women's outwear clothing, but which also has important uses in the ties and dressing-gown industries. It has also developed a line for interior decoration and a line of dyed yarns creating a profitable commercial activity in fabrics for men's shirts.

It is worth stressing that creativity and style emerge from one stylistic centre set up as independent unit, called Season's S.p.A. Its product mix extends through a very wide range including a highly successful line in fabric for house furnishing and, through its subsidiary Texindustria, studies and suggests special fabrics for various industrial sectors (silk-screen processes, filtration) or made by high-density yarn (Kevlar Dupont) suitable for special purposes as, for example, in the protection field.

In this activity, the textile technique is integrated and formed by the more advanced technology offering and suggesting new compound materials which can give better performances than the traditional fabrics, with structure adaptable to many sectors and nautical, aircraft, military and civil industries.

This broad diversification is one of the company's main weapons in coping with the deep recession that has affected the textile industry world-wide. Fisac has not been untouched by the recession. Despite this, sales grew to around Lit 70bn in 1982 from Lit 65.6bn in 1981.

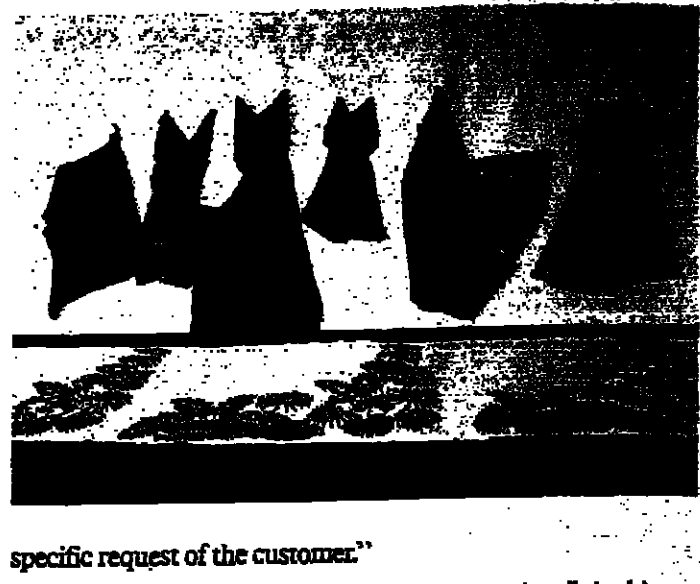
Fisac has been particularly unlucky in the progressive deterioration of markets in which it has concentrated. At one time it had large sales in the Middle East, but now it is more or less impossible to sell to countries such as Iran, Iraq and Lebanon. To offset this Fisac developed new markets in North America.

Now it has fallen back on the highly competitive European market and is also trying to revive the difficult market in Africa which has long been neglected by many textile companies. Export sales represent at the moment 51% of the total sales turnover, while 57% was reached when international trade market was most active. Anyhow Fisac has still managed to make its mark in a new and difficult environment.

Rationalisation

"We improved the service, providing what the markets want and at the right time," explains Mr Ramozzi, its Managing Director. Deliveries were speeded up and quality improved so that buyers began to understand that Fisac's broad product range allowed it to satisfy specialist orders. Bureaucracy was reduced so that the decision process could be speeded up and production reorganised so that it really met demand. "It sounds simple," says Mr Ramozzi, "but to balance output is none too easy. We had to reorganise our whole production and this whole process is still going on."

At the same time Fisac has begun to take a closer look at the needs of the market, opening offices in Paris and New York especially for this purpose. "Therefore," says Mr Ramozzi "we are in a position to follow closely some basic standards in each market, so whatever we produce we bear in mind these standards and tailor our production to the specific request of the customer."



And Fisac's quality/price ratio is also attractive. It is able to offer absolutely competitive prices because of its technical equipment, modernization and dimensions of its production.

Fisac is capitalised at Lit 4.019bn, 83 per cent of which is owned by Invest. The company's shares are listed on the stock exchanges of Milan, Rome and Turin and there are about 900 shareholders in all.

MILANAGRICOLA VITTORIA

Scientific management and the fruits of the earth

With total sales of only Lit 6bn in 1981, Milanagricola Vittoria is one of the smaller companies in the Invest group. But it is also highly profitable. Net profit in 1981 was Lit 1.3bn giving a return of over 18 per cent on its capital of Lit 7.1bn.

Milanagricola Vittoria is owned by the Invest group's Milano Assicurazioni unit. It has substantial holdings of land amounting to roughly 3,300 hectares but its main claim to fame is the high degree of technological expertise it applies to its three main product groups – cereals, dairy and cattle, and timber.

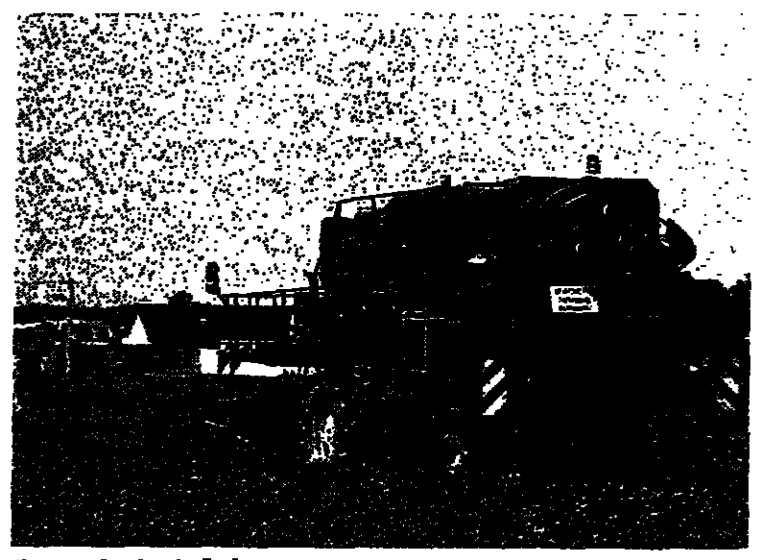
Cereal production amounts to some 10,000 tonnes, including 2,000 tonnes of wheat. The company is also diversifying into vegetable farming with a production of 800 tonnes of shelled peas, 800 tonnes of green beans and 1,200 tonnes of sweet corn.

In the cattle farming sector, Milanagricola Vittoria produces 500 tonnes of meat and 4,000 tonnes of milk as well as breeding animals for sale.

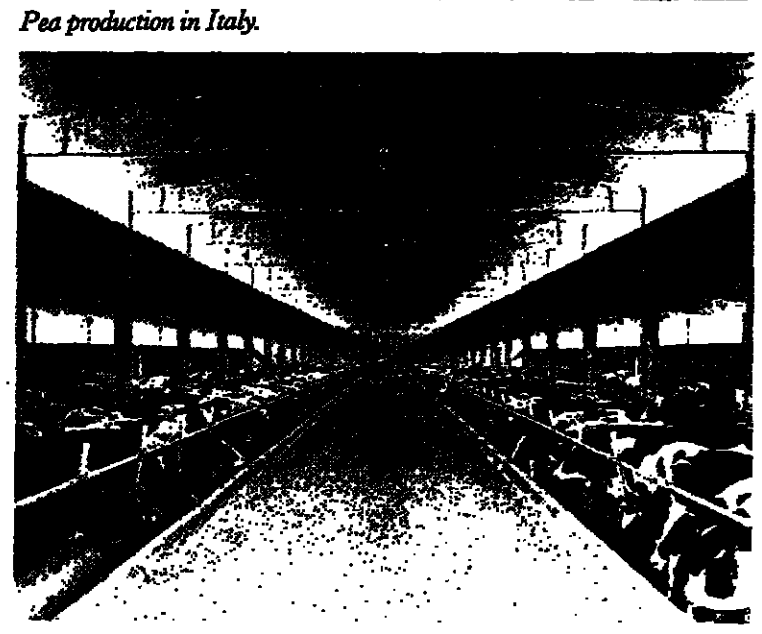
Through a long standing agreement, Milanagricola Vittoria sells its entire high quality milk production to one of Italy's best known cheese producers which is prepared to pay a premium for its high quality milk. Meat production is being progressively reduced because production costs are not competitive with those of other EEC producers and because of inadequate subsidies accorded by the EEC to the Italian meat industry. But cattle breeding offers considerable scope for diversification. Milanagricola Vittoria is one of Italy's pioneers in the field of "test-tube" cattle in which the embryo is transplanted to the womb of the cow after conception in controlled laboratory conditions. The export market for fine pedigree cattle is a lively one. Spain alone takes some 5,000 Italian cattle a year.

But the company is not without its problem area, namely timber in which it concentrates on poplar production. Its entire 15,000 tonne output is sold to Saffa, another Invest group company, which uses it mainly to manufacture matchsticks.

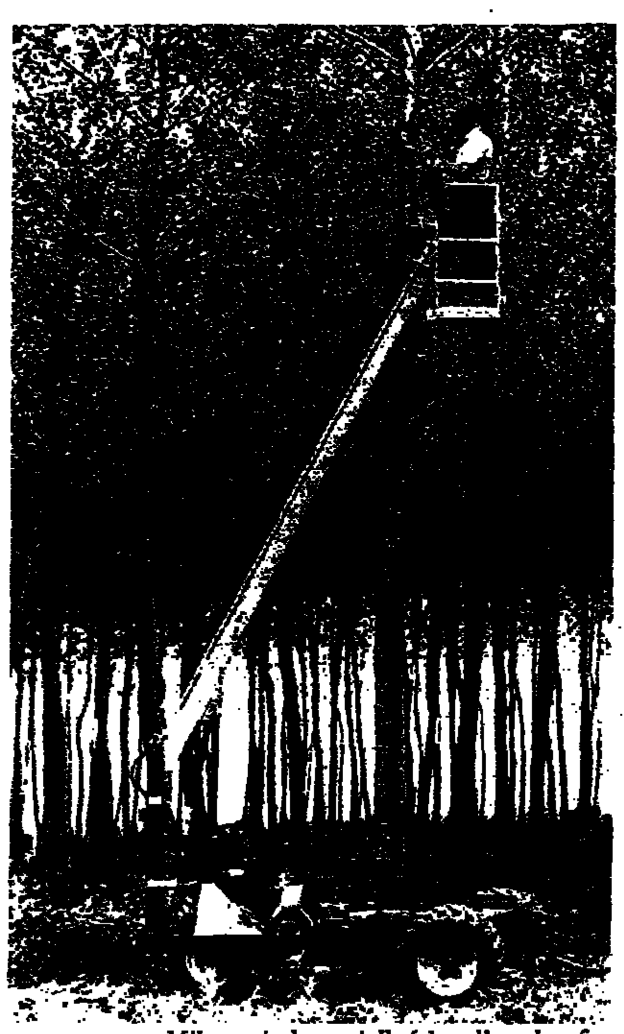
The poplar market is going through a slump which is expected to last for three or four years. As a result Milanagricola Vittoria is having to concentrate on cutting costs as diversification can only take place over a long period of time. But it is also moving slowly into other forms of timber particularly pine which is grown for its resin. It is a pioneer in cross fertilisation of various types of tree with the aim of producing a variety that is both fast growing and high quality.



Pea production in Italy.



Pioneers in breeding pedigree cattle – often by embryo transfer.



Milanagricola specially 'cloned' poplars for use in Saffa's match production.

Another area of diversification for Milanagricola Vittoria is fish farming which is so far still on an experimental basis. Production is limited to only around 30 tonnes of catfish, carp and eels. Milanagricola Vittoria is also active in the area of fertiliser and recycling of industrial waste, but despite its high profit rate – according to its General Manager Mr Marzagalli – it remains somewhat uncertain about the long-term future of the Italian agricultural industry.

For this reason its investment policy is very cautious. Investment spending on the whole goes to maintain existing assets rather than developing new ones. A fast return on investment is also a high priority.

Invest's agriculture interests also include wine production through a company called Sella & Mosca which is based in Sardinia and sells some 3.5 million bottles of fine wine. Sella & Mosca is one of the only two companies in the Invest group to be loss making. Last year's loss amounted to Lit 2.5bn on sales of Lit 7bn, but this loss should be slowly eliminated allowing the company to return to profit from 1984.

This will be achieved through better distribution of its products. Sella & Mosca has reached agreement with a major distributor who will handle wine distribution in conjunction with its own existing network of salespeople working out of an office in Milan.

With its 660 hectares of vineyards Sella & Mosca produces all the grapes that go into its vintage wine production. Since 1976 it has concentrated on fashionable light wines, developing its own grape for this purpose. Its wine producing equipment is highly advanced. Computers check the level of acidity, temperature into the tank, fermentation. The constant quality of production makes the company particularly well-placed to return to profit after the considerable investment of recent years.

POSTAL MARKET

Continental Mail Order Success

Postal Market started as an idea in the mind of Anna Bonomi Bolchini back in 1958 and became the first-ever mail order catalogue business in Italy. Today it is the leading mail order house in the country with annual turnover of Lit. 220bn and a 67 per cent share of the market.

In the late 1950's the catalogue ran to about 10 pages in length. Today the winter and summer catalogues are each around 550 pages long.

Postal Market has achieved a customer list of more than 5m, of which 3m have been earmarked as faithful return customers.

One third of sales are made through the catalogue alone. Two thirds are achieved through the use of sophisticated direct mail techniques.

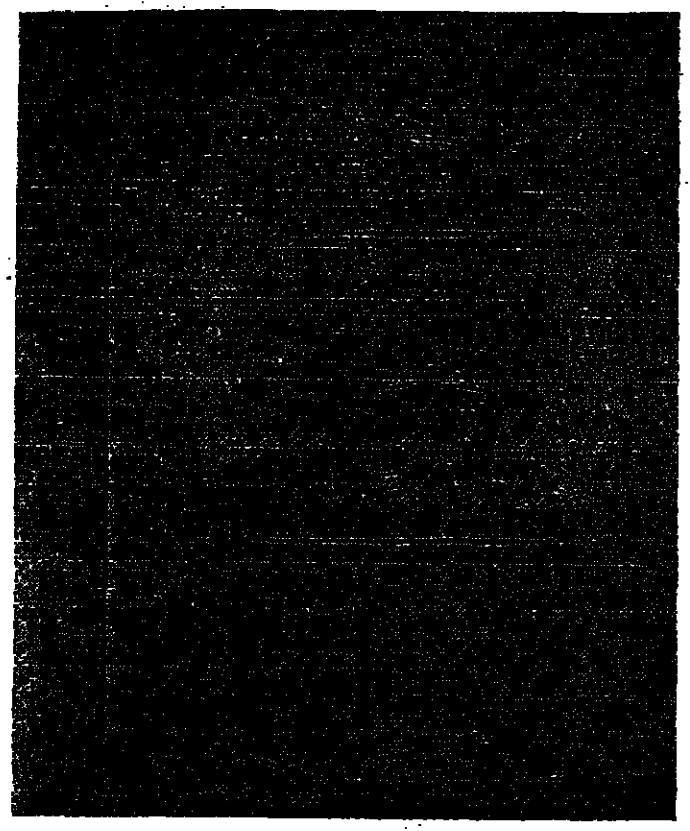
The growth of Postal Market in Italy is impressive when one considers that unlike USA, Britain, Germany and France, where a great deal of consumer sales are mail-order based, Italians only make 1 per cent of their purchases through the post.

The average Postal Market customer makes a purchase of Lit. 65,000 each time he or she orders. Of the 3m customers, a special elite known as the "very faithful" and numbering around 600,000 make purchases twice every half-year or more. For marketing purposes the company has divided its clientele into more than 100 separate categories ranging from the "very faithful" to the "indifferent".

In order to maintain customers the Postal Market group subscribes to two main policies: a money-back if not satisfied approach and a guarantee that prices will not change for six months at a time.

In the 80's the shareholders realised that the company had been undercapitalised and therefore they decided to addend, injecting Lit. 50bn, through diversified and planned interventions, which will be concluded by the end of 1983.

This action will allow the company from 1984 to start again a new return to investment. For 1983 it is expected a turnover of Lit. 280bn with an increase of 30% compared to 1982. For 1984 it is foreseen a turnover of Lit. 330bn equal to an increase of 18% compared to 1983.



Milano Incorporation Certificate

MILANO ASSICURAZIONI
Insurance and money management

Milano Assicurazioni is the oldest joint stock company in Italy, having been founded as long ago as 1825. Today it is controlled by the Invest group which acquired a stake of more than 40 per cent from Montedison in 1979. Moreover, says the General Manager Fausto Panzeri, "Milano is more than an insurance company – it's the peak of an iceberg."

Milano controls other insurance companies in the Invest group such as Italia Assicurazioni and Lloyd Italico e L'Ancora, and with Fondiaria, Milano Assicurazioni is the third largest insurance group in Italy. In 1981 Milano Group collected a total Premium Income of some Lit 520bn (Lit 360bn in Insurance business and Lit 160bn in Reinsurance business). In 1982 Premium Income for Insurance business is expected to rise to around Lit 450bn.

In 1982 premium income was expected to rise to around Lit 620bn.

Motor insurance premiums run at around Lit 115bn, life premiums at around Lit 29bn and marine insurance at Lit 73bn. Altogether the group employs around 1,600 people.

Most of the group's business is in Italy, but with another Invest company, La Fondiaria, it owns the British insurance company Dominion. Says Milano Chairman, Prof Zanelli, "Dominion is a sort of springboard for international expansion of the group. It's a quite different experience from Italian business – it's unusual to have a child of your own in the centre of insurance and we learn a lot by dealing in the City (of London) market."

Milano Assicurazioni also operates in Belgium through an agency located with Cie d'Assurance de L'Escaut in Antwerp, in the Netherlands through a branch located with Van Marle in Rotterdam and in Germany through an agency located with Münchener Versicherung, Italia Assicurazioni also operates through branches in France and Spain. But, says Prof Zanelli, "there is enormous potential for insurance development in Italy. We are 21st in the list of insurance per capita in the world but 7th or 8th in terms of industrial production."

And insurance companies in the Invest group are particularly well-placed to make the most of this market. "Our companies have the advantage of being able to benefit from the expertise of the group – we have both real estate expertise and financial expertise, so we should be better at money management than other insurance companies."

In fact one of the characteristics of the Milano group of insurance companies over the past few years has been a significant increase in return on investments, as pointed out by Milan General Manager Dr. Panzeri. Between 1980 and 1981 this moved up to around 10 per cent from 8.5 per cent and in 1982 it was estimated to have moved even higher to around 11 per cent. Return on investment is more than enough to offset technical losses on underwriting that commonly affect insurance companies. Every 100 lire in premiums generate more than 10 lire in investment income, even though the cost of claims and administration amounts to 106 lire.

In 1981 group net profit rose by some 20 per cent to Lit 14bn. This represents a return on net worth of some 15 per cent if the balance sheet net worth of Lit 94bn is used as the base. (Actual net worth is much higher because the group's extensive holdings of real estate are carried in the books at their historic cost rather than their market value.)

Italia Assicurazioni is one of Italy's main and oldest marine insurance companies. This is not necessarily very profitable at the moment given the depressed business environment for shipping, but the management feels that, "being first still gives you some advantage over the others." Like Milano, Italia is also still turning in profits, although its subsidiary Lloyd Italico is not. Because of this Lloyd is in the process of being strengthened through a program of integrating its administrative structure with Italia, leaving its commercial operations independent.

Among its investments Lloyd does, however, count a particularly prestigious piece of real estate in the form of the renowned Hotel Splendido in Portofino near Genoa. This is an 80 room hotel in one of the most beautiful sites on Italy's Mediterranean coast, and one of the few that still offers genuine old-fashioned luxury and personal service to its elite clientele.

The Hotel Splendido does not bring in a particularly high return at five per cent. Nevertheless its unique style and service are something of which the Invest group is justifiably proud. Says Dr Panzeri, "the Hotel Splendido is like its name – simply splendid."

Milano is also the vehicle through which Invest is active in agriculture through its controlling stake in Milanagricola Vittoria, which is in turn the parent of the wine producing company Sella & Mosca.

BENI IMMOBILI ITALIA
Stability and strength of property holdings

BENI IMMOBILI ITALIA could be called the jewel in the BII Invest crown – it is not only one of Italy's major private property and construction companies, but is also the vehicle through which the Bonomi family controls the Invest group.

BII was founded in 1918 by Carlo Bonomi, Sr., a man who understood that a solid foundation was necessary for the development of any business. Here is how one Invest executive describes the philosophy of Carlo Bonomi-senior back in 1918: "He understood that buying stones made for stability and strength. He bought buildings on the then outskirts of Milan; these buildings soon became the centre of Milan."

Carlo-senior's wise decision to buy property was continued by his daughter Anna Bonomi and this is why, in the words of one Invest executive… "Beni is the most beloved company in the group. It represents the fortune of the Bonomi family".

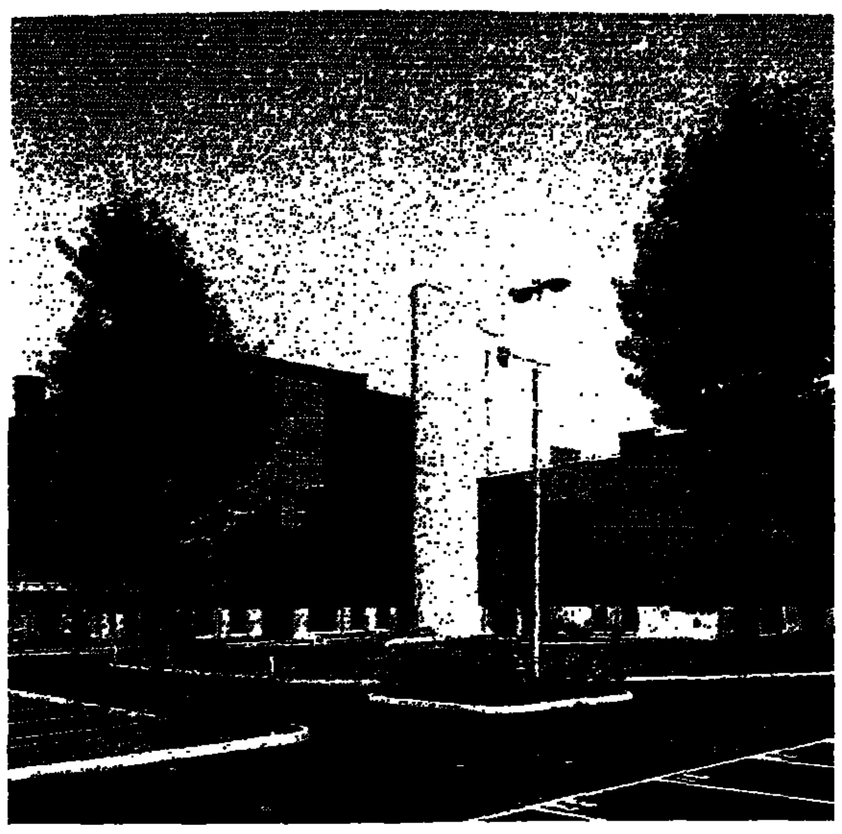
Recently the real estate business has been reorganised with young managers responsible for different divisions. The group is now involved in building developments around the world, from Italy to Monte Carlo to Mexico.

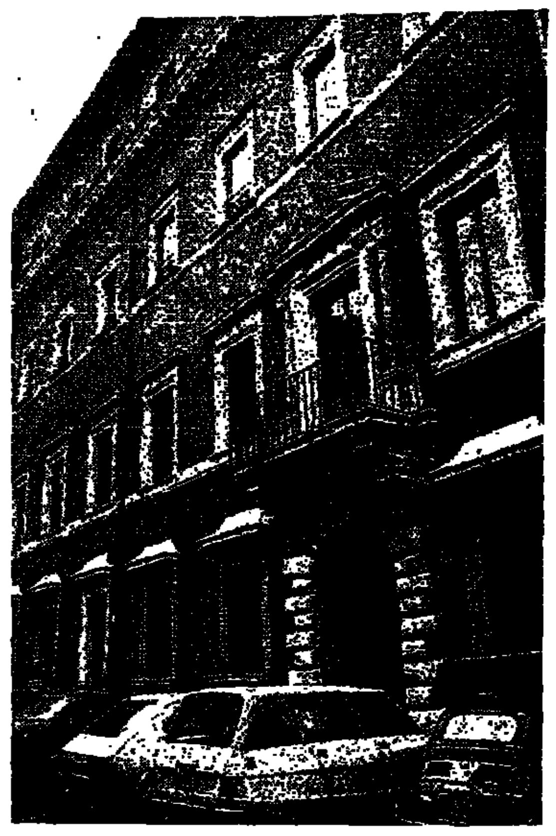
But perhaps the most famous of BII's activities has been its development of the San Felice residential district near Milano. This project was undertaken from 1967 to 1978 and ranks as one of the most successful examples of private building in Italy.

Located 10km from downtown Milan, San Felice became the first "satellite city" in the region. Some 7,500 people live in San Felice and it hosts a series of schools, shopping areas, banks, hospitals, churches and cinemas. The cost runs to hundreds of billions of lira and involves many of BII's staff of 160, including its six in-house architects.

Meanwhile in Monte Carlo, BII has pioneered the prestigious "Parc Saint Roman" complex – some 390 apartments built with an investment of F Fr 230m. Already 360 of the condiminium flats have been sold.

Near Rome the BII team is engaged in building another satellite city, the Dragoncello project. This will include low and middle income housing, as well as a marine for 210 boats.





New and old BII properties in Milan and Rome

BII's activities include not only traditional housing projects, but also an unusual restoration plan for the Cannaregio area of Venice. Here buildings will be designed to blend in with the older architecture and the project is being supervised by Professor Gregotti, both a scholar and an architect.

The commercial value of BII's property holdings is well above the Lit 400bn mark, ensuring the company has assets for both profitability and security.

With the consumer in mind, and given the volatility of interest rates in Italy, BII is also at work pioneering new financing techniques for home buyers, thus bringing down the cost of purchasing a residence.

From a financial standpoint, BII's list of shareholders reads like a Who's Who of major Italian institutions. Aside from the Bonomi family holding of more than 50 per cent, there are 14,000 shareholders in total. Among the top shareholders are Credito Italiano, Banca Commerciale, Banco di Roma and Banca Nazionale del Lavoro.

With names like these it is not hard to see why BII is often regarded as the jewel in the BII Invest crown.

LA FONDARIA
The insurance company with the personal touch

La Fondiaria holds an outstanding place in the Italian Insurance Industry; it is quite an old-established company, having been formed in 1879 following an agreement entered by Florentine and Genovese Merchants.

The group was originally divided into two separate companies – La Fondiaria Incendio (fire insurance) and La Fondiaria Vita (life insurance). Nowadays La Fondiaria covers all branches of the insurance and reinsurance business, as a result of a merger which took place in 1980.

Although statistical information cannot convey the prestige of this well-known Florentine insurance group, it is worth mentioning that in 1982 the premium income exceeded Lit 342bn, which is more than twice the figure of only five years ago.

La Fondiaria ranks 7th among Italy's 225 insurance companies. It's share of the total insurance market is about 3% and the company has retained such share despite recession and increasing competition.

Fondiaria's prestige is confirmed by the fact that the Ministry of Industry (the Italian Board of Trade) has suggested to other organisations that they should take the Company's Annual Report as an example to prepare their own accounts.

La Fondiaria has 284 General agencies in Italy, 1,500 selling-offices and a staff of 1,043. The share capital, free reserves and underwriting reserves exceed Lit 560bn lires in the aggregate.

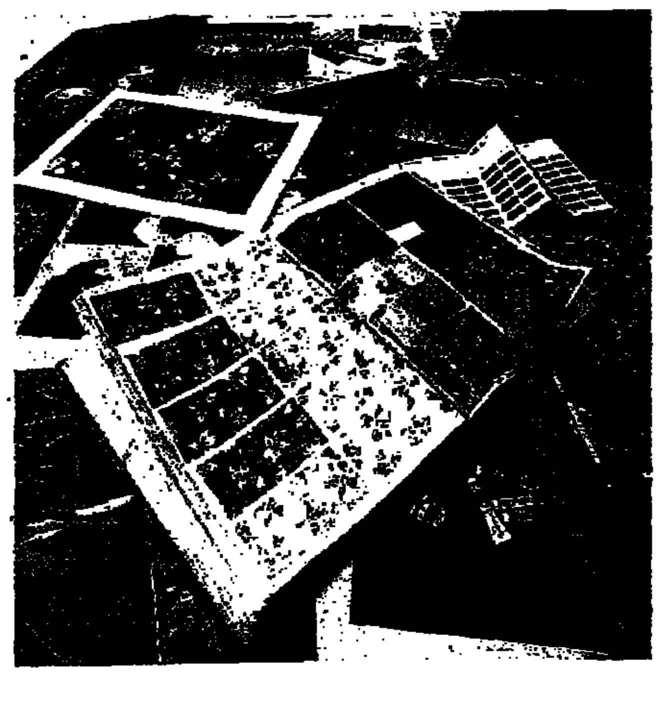
The company's main feature is a sound strategy, acquired with the passing of time and consisting in giving its customers advice and assistance, with clearly worded policies which can meet any requirement thanks to a high degree of flexibility in their formulation.

Fondiaria's shareholdings abroad are significant: the Group has links with associates in Portugal, Belgium, the Netherlands, West Germany, Peru, Argentina and the UK.

The vision of Mr Vida, the Managing Director, and Dr Michele Castelnuovo-Tedesco, the chairman of La Fondiaria, is that the group should maintain its market share and grow within Italy while simultaneously expanding outside of the country.

Dr Castelnuovo-Tedesco says that this is "a dream, a hope" but he also points out that La Fondiaria was little more than a dream and a hope in the 1860's when Florence was, for a short period, the capital of Italy and the first plans were laid for La Fondiaria.

The company has Invest Spa as the major shareholder with the prestigious Mediobanca and very well-known Florentine families as part of the controlling group.



FISAC (Fabbriche Italiane Seterie Affini Como) joined the group in 1979. It produces many thousands of metres of textiles in natural, synthetic, artificial and blended fibres every day.

MIRA LANZA:

Leaders in the Marketplace

Mira Lanza is Italy's largest detergent maker, leader in its field with annual turnover of Lit 285bn 1982, and a market share of nearly 25 per cent in Italy.

Not only is Mira Lanza a brand leader with a firmly entrenched position in the market, but it has successfully met the challenge of foreign multinational corporate competitors operating inside Italy.

The company was purchased by the group in 1972, but had been founded as long ago as 1924, when it was created by the merger between the Mira candles factory and Lanza Stearine Producers in Turin. Until 1949 Mira Lanza's main activity was the manufacture of soaps and related products. Then the company began making synthetic detergents, now its key product.

Among the best known Mira Lanza brands today are Ava, the laundry detergent for washing machines and for hand-washed clothes, Lip, a well-known detergent for fine washables and wools and Mira soap. The company is also involved in floor cleaners, tooth pastes, fabric softeners, bath and kitchen papers and a range of industrial products.

The purchase in 1977 of "Super Iride", a business active in the floor waxes and insecticide markets, was another step toward diversification. In 1981 Mira Lanza purchased a toilet paper factory in Southern Italy and the company is now integrating its production and marketing of paper products.

Mira Lanza's sales turnover has grown impressively in recent years, from a level of near Lit 120bn in 1977 to nearly Lit 200bn by 1979 and to its present level of Lit 300bn. Nonetheless, the company had its problems as well, facing dramatic increases in the cost of raw materials in the late 1970s and a residual productive capacity.

But the management of Mira Lanza has dealt with these problems successfully and was able in 1982 to achieve a spectacular profits rise from the 1981 level of Lit 8bn (gross profit) to more than Lit 18bn.

According to Ugo Nistri, managing director of Mira Lanza, the strategy remains careful cost control and aggressive marketing.

Research

"The priorities for Mira Lanza," says Mr Nistri, "have been cost-reductions in terms of employees and raw materials. We are working on the production of our own substitutes for raw materials we have to purchase externally and we even have enough funds to launch a new product this year, a glycerine soap for the consumer market".

Mr Nistri reckons that Mira Lanza spends around Lit 13bn each year on research and development, which represents 5 per cent of annual turnover. This year the company will receive Lit 23bn in order to reorganise production lines and streamline its factories. This is a bold

rationalisation programme, designed to replace old machinery with new, and cut staff costs where possible.

While the company is paying great attention to its production side, it is certainly not ignoring its loyal consumer base. For there is another side to Mira Lanza, which makes it one of the favourites of Italian housewives: this is the twice monthly Mira Lanza magazine combined with the company's promotional card coupons.

Marketing

Some of Italy's top sociologists and fashion writers contribute to the Mira Lanza magazine, sent to a regular 1m customer-readers. The idea, says Mr Nistri, is to "address the housewives and say 'we love you'". The link to profits is clear. "Through marketing research done by the Neilsen group, we have established that people who play the card game and read the magazine consume 10 times as many Mira Lanza products."

The card game and magazine cannot be quantified as a profits factor, but they keep Mira Lanza in numerous Italian households and that can't be bad.

The changing face of Saffa

Founded in 1928, Saffa was originally devoted entirely to the production of matches, and even today it still accounts for 70 per cent of the Italian market for this product including the famous wax matches, or cerini. But over the years Saffa has become a well-diversified concern in which matches have been replaced by folding box board as its principal product.

"Today," says its Managing Director Cesare Bianconi, "the position of Saffa can be clearly documented. We are among the leaders in Europe in the production of folding box board with an output of 1,000 tonnes a day." Besides matches the company also sells match-making machinery, lighters, wood-panels and chemicals.

Box-board, which ten years ago made up only 29 per cent of total sales, accounted in 1982 for more than two thirds of the company's total turnover of Lit 205bn. Matches accounted for 15 per cent compared with 38 per cent in 1971 and wood-panels 11 per cent instead of 21 per cent.

Sales Turnover

Put another way, however, the scale of the company's activity is even more impressive. Sales of matches last year totalled 42bn packs of which 9.2 per cent were exported. Turnover in paper products added up to 212,000 tonnes of which 29.7 per cent was exported and of wood panels 89,000 cubic metres of which 4.8 per cent was exported.

Yet, despite a steady growth in sales over the past few years, Saffa's profits have been hit by the recession, by a long-term decline in match consumption by the increasing cost of imported virgin fibres and energy. Virgin fibres are priced in dollars and the company had thus become particularly vulnerable to the very strong rise of the U.S. currency against the Italian lira.

In 1981 its profits dipped to Lit 2.9bn from Lit 3bn in 1980 and this only after extraordinary gains of Lit 2.6bn from sales of assets. In 1982, says Mr Bianconi, profits from industrial operations should be particularly good. Also in 1982 there will be some extraordinary gain from sale of assets.

Efficiency savings

How is the company coping with these difficult times? One way, explains Mr Bianconi, involves a tight control over costs and a search for new savings. In the folding box board it is involved in a strenuous effort to reduce its dependence on Scandinavian pulp supplies replacing virgin fibres with special grades of waste paper. Four or five years ago, Saffa was importing 40,000 tonnes of pulp a year. Now the figure is down to 15,000 tonnes and "in another two years we'll reduce this 15,000 tonnes down to 10,000 tonnes."

Another area for saving is that of energy consumption. All the investments carried out during the last few years were oriented to improve quality of folding box-board and save costs of production.

In the match sector, the company is trying to counter the decline in consumption through active marketing, but since one of the main reasons for the fall in match consumption is the ever-growing popularity of disposable lighters, Saffa also intends to develop a profile in this market. It used to manufacture refuelable lighters in Italy but found the costs of domestic production too high. Now they are imported although Saffa itself sees to the maintenance of high quality design standards.

The company also intends to expand its activity in chemicals where it is researching new products in the field of phosphorous derivatives. The only one of its divisions which is not currently profitable is wood-panels, which have been seriously hit by the recession in the furniture industry.

Saffa's share capital amounts to Lit 20.5bn and has a net worth of more than Lit 50bn; and a net worth/financial debt ratio of about 4 to 1. Its subsidiaries include Safiplast, which is engaged in the field of moulded plastics, particularly for car production, Isfa which makes matches in Sicily and Italpac, a joint venture with Diamond International which makes pulp trays for foods.

Invest holds a 56.90 per cent stake in Saffa. Its shares are listed on the stock exchanges of Milan, Turin and Genoa.